

SUBIC TELECOMMUNICATIONS COMPANY, INC., PETITIONER, VS. SUBIC BAY METROPOLITAN AUTHORITY AND INNOVE COMMUNICATIONS, INC., RESPONDENTS.

G.R. No. 185159. October 12, 2009

Ponente: VELASCO JR., J.

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VELASCO JR., J.:

The Case

In this Petition for Review on Certiorari under Rule 45, petitioner Subic Telecommunications Company, Inc. (Subic Telecom) assails and seeks to set aside the April 4, 2008 Decision,[1] as effectively reiterated in a Resolution[2] of October 28, 2008, both issued by the Court of Appeals (CA) in CA-G.R. CV No. 88757, an appeal from the orders dated June 30, 2006 and August 24, 2006 of the Regional Trial Court (RTC), Branch 74 in Olongapo City in Civil Case No. 155-O-2006, a suit for specific performance.

The Facts

Respondent Subic Bay Metropolitan Authority (SBMA) is a government corporation created pursuant to Republic Act No. (RA) 7227, otherwise known as the "Bases Conversion and Development Act of 1992." Consequent to the withdrawal in 1992 of the American naval forces and its civilian complement from the Subic Naval Base and the earlier eruption of Mt. Pinatubo in 1991, Congress created SBMA to develop the Subic Bay Freeport Zone (SBFZ)[3] as a self-sustaining industrial, commercial, financial, and investment center; to generate employment opportunities; and to attract foreign investments. Among the development projects SBMA prioritized was the upgrading of the antiquated telephone system the US Navy previously established. One scheme to attract investors thereat was a system of exclusivity for a reasonable period of time to allow the recovery of investments. It was against this backdrop that Subic Telecom was conceived.

After winning an international competitive bidding to provide telecommunications services in the SBFZ, the Philippine Long Distance Telephone Co., Inc. (PLDT) and the American Telephone and Telegraph Co. (AT&T) entered on June 29, 1994 into a 25-year renewable Joint Venture Agreement[4] (JVA) with the SBMA for the purpose of, among others, forming a joint venture company to provide telecommunications and related services in the zone. Thus, the incorporation of Subic Telecom.

On January 23, 1995, SBMA, by a Resolution,[5] granted Subic Telecom a franchise to provide telecommunications services and establish, operate, and maintain telecommunications facilities, networks, and systems in the SBFZ. Subsequent developments saw Subic Telecom investing on telecommunications equipment and other facilities and starting to operate its telecommunications services with its network connected to the nationwide network of PLDT.

To ensure Subic Telecom's viability and safeguard its investments, the joint venture partners agreed that, for a period of 10 years from June 29, 1994, the date of the agreement, up to June 30, 2004, SBMA would not allow

third parties to engage in any activity that would materially affect what the partners considered as Subic Telecom's basic and enhanced telecommunications services, i.e., local exchange and toll services. This agreement was reflected in Section 11(c)(ii) of the JVA pertinently providing, thus:

SECTION 11. COVENANTS

x x x x

(c) SBMA Covenants. SBMA covenants and agree with as follows:

x x x x

(ii) Contracts. Except as provided hereunder, during the terms of the Agreement and any renewal thereof, SBMA shall not enter into contracts with third parties which would materially impair or materially restrict in any unreasonable way Subic Telecom's operations. For ten (10) years from the date hereof, SBMA shall not enter into contracts with third parties which would materially restrict in any unreasonable way Subic Telecom's operation of local exchange and toll services (domestic and international) ("Basic and Enhanced Telecommunications Services"); provided however that SBMA shall not be restricted from entering into contracts with or issuing authorizations in favor of parties engaged in businesses other than Basic and Enhanced Telecommunications Services, including, but not limited to wireless or cellular telephone services, paging services, cable television or manufacture, sale, installation or servicing of telecommunications and telephone equipment.[6] (Emphasis supplied.)

In addition to the non-competition clause on the basic and enhanced telecommunications services in the SBFZ, it is provided under Sec. 18(k) of the JVA that Subic Telecom has the option to renew its exclusivity privilege for three (3) five-year periods subject to the continuing compliance by Subic Telecom of its obligations under the JVA, and provided that neither PLDT nor AT&T defaults under the JVA. Said Sec. 18(k) pertinently provides:

SECTION 18. MISCELLANEOUS

x x x x

(k) Non-Competition. - Upon the incorporation and organization of Subic Telecom in accordance with the provisions set-forth in this Agreement and for the duration of its existence, the parties, their subsidiaries and affiliates, hereto shall cease and desist from engaging in competition with Subic Telecom in the Zone; Provided however that the foregoing shall not restrict SBMA other than with regard to Basic and Enhanced Telecommunications Service, as defined in Section 11 (c) (ii) hereof for the period from the date of this Agreement until the tenth anniversary of this Agreement; Provided further that as long as Subic Telecom has consistently complied with its obligations as set forth in Appendix (g) to this Agreement and as long as PLDT and AT&T are not in default under this Agreement, Subic Telecom shall have the option, for three (3) five year periods, to extend the effectivity of this Section.[7] (Emphasis supplied.)

Then came the 1997 Asian financial crisis that, among other causes, prevented Subic Telecom from recovering its investments during the initial exclusivity period.

In November 1999, SBMA sold its equity interest in Subic Telecom to PLDT. And in January 2001, AT&T likewise sold its equity interest in Subic Telecom to PLDT. Thus, Subic Telecom became a wholly-owned subsidiary of PLDT.

On April 22, 2004 or shortly before the end of the 10-year period covered by Sec. 11(c)(ii), Subic Telecom notified SBMA that it is exercising its option to renew its exclusivity privilege granted under Sec. 18(k) (notice to renew, hereinafter) for an extended period of five years.[8] Receiving no response from SBMA, Subic Telecom sent a second notice on June 25, 2004.[9]

On July 14, 2004, Subic Telecom and SBMA held a bilateral meeting which saw an exchange of memoranda, with Subic Telecom submitting its Position Paper[10] to argue and defend its right to the desired renewal.

On July 23, 2004, SBMA informed Subic Telecom of its intention to secure the opinion of the Office of the Government Corporate Counsel (OGCC) regarding the matter of extension of the exclusivity privilege under Sec. 18(k) of the JVA.

Meanwhile, as early as March 2004, SBMA started accepting applications for Certificate of Public Convenience and Necessity (CPCN) to operate in the SBFZ international, and leased lines services as well as local exchange and toll services in direct competition with Subic Telecom. Among the CPCN applicants was respondent Innove Communications, Inc. (Innove), which filed its application before the SBMA on March 26, 2004, docketed as SBMA Case Nos. 04-001 and 04-002. As might be expected, Subic Telecom opposed Innove's application.

On September 10, 2004, pending the issuance by the OGCC of an opinion, SBMA issued Resolution No. (Res.) 04-09-4026[11] stating that as a "matter of policy [it] encourages competition." Since its notice of renewal had yet to be acted upon, Subic Telecom sought clarification on the thrust of Res. 04-09-4026, requesting in the process a copy of the minutes of the SBMA Board meeting when said resolution was supposedly set and issued. As records tended to show, SBMA sat on the request. Likewise, Subic Telecom's motion to defer the proceedings on Innove's application in SBMA Case Nos. 04-001 and 04-002 was denied via a Resolution[12] dated September 30, 2004, which in turn invoked Res. 04-09-4026.

On November 10, 2004, the OGCC issued Opinion No. 236,[13] holding that the exclusivity clause or the restrictions on competition embodied in the aforequoted Sec. 18(k) and Sec. 11(c)(ii) of the JVA cover different subject matters. Sec. 18(k), so the opinion went, only referred to the exclusivity pertaining to a direct competition posed by SBMA itself, and not by other telecommunications companies, noting that the exclusivity scheme under Sec. 11(c)(ii) did not include the option to renew envisaged in Sec. 18(k).

Obviously guided by OGCC Opinion No. 236, SBMA proceeded with the rejection of Subic Telecom's notice to renew and at the same time entertained applications for CPCN of other telecommunications industry players.

Subsequently, on December 1, 2004, SBMA issued Department Order No. (DO) 04-05[14] proposing a liberalized policy for the telecommunications sector in the SBFZ, followed by the issuance of the necessary liberalization guidelines. The issuance of said DO merited a letter-opposition[15] from Subic Telecom.

On February 17, 2006, SBMA ratified and confirmed its previous decision not to grant Subic Telecom's option to renew its exclusivity privilege. And, on the same day, SBMA issued an Order[16] in SBMA Case Nos. 04-001 and 04-002, granting Innove provisional authority to operate in the SBFZ for a period of 18 months in virtual competition with Subic Telecom. Another Order[17] of March 3, 2006 followed in which SBMA set the resumption of proceedings on Innove's application for a CPCN.

Subic Telecom moved for reconsideration of the February 17, 2006 SBMA Order.[18] Apparently owing to SBMA's failure after the lapse of several days to act on this motion, Subic Telecom formally withdrew[19] its motion and instead filed on May 16, 2006 a Complaint for Specific Performance (With Prayer for Temporary Restraining Order and Preliminary Injunction) against SMBA and Innove before the RTC in Olongapo City, docketed as Civil Case No. 155-O-2006, entitled Subic Telecommunications Company, Inc. v. Subic Bay Metropolitan Authority and Innove Communications, Inc.

In its complaint, Subic Telecom, inter alia, prayed that: (a) its notices of renewal dated April 22 and June 25, 2004 of its exclusivity privilege under Sec. 18(k) of the JVA be declared as a valid exercise of its option and effective for five years from June 30, 2004 to June 29, 2009; and (b) SBMA be ordered to comply with its contractual

obligations under the JVA and be enjoined from violating Subic Telecom's rights in the JVA. To the complaint, SBMA and Innove filed their respective oppositions,[20] with motion to dismiss[21] the complaint.

The RTC Ruling in Civil Case No. 155-O-2006

On June 30, 2006, the RTC issued an Order[22] dismissing the complaint of Subic Telecom on the ground of *litis pendentia*. The fallo reads:

WHEREFORE, foregoing considered, this case is DISMISSED on the ground of *litis pendentia*. With this resolution, the court does not find it necessary anymore to discuss the other grounds. Last, the application for injunctive relief has been rendered academic.

SO ORDERED.[23]

Its motion for reconsideration having been denied in an Order[24] of August 24, 2006, Subic Telecom appealed to the CA.

Ruling of the CA

The CA, in its Decision dated April 4, 2008, denied the appeal and effectively affirmed the dismissal by the RTC of Subic Telecom's complaint on the same ground relied upon by the latter court. The fallo of the CA's decision reads:

WHEREFORE, premises considered, the appeal is DENIED for lack of merit. The Orders dated 30 June 2006 and 24 August 2006 of the Regional Trial Court of Olongapo City, Branch 74 in Civil Case No. 155-O-2006 are AFFIRMED. Costs against appellant.

SO ORDERED.[25]

Subic Telecom's motion for reconsideration of the assailed decision was denied in the equally assailed CA Resolution of October 28, 2008.

The Issues

Undaunted, Subic Telecom is now with this Court via the present recourse raising the following grounds for the allowance of its petition, thus:

I

THE COURT OF APPEALS HAS DECIDED A QUESTION OF SUBSTANCE NOT IN ACCORDANCE WITH THE APPLICABLE DECISIONS OF THIS HONORABLE COURT IN THAT IT FAILED TO RECOGNIZE THAT THERE EXISTS NO *LITIS PENDENTIA* IN THIS INSTANCE.

II

THE COURT OF APPEALS HAS SO FAR DEPARTED FROM THE ACCEPTED AND USUAL COURSE OF PROCEEDINGS CALLING FOR THE EXERCISE OF THIS HONORABLE COURT'S SUPERVISION WHEN IT REFUSED TO TAKE COGNIZANCE OF SUBICTEL'S ARGUMENTS IN SUPPORT OF ITS PRAYER FOR INJUNCTION.[26]

The above assignment of errors boils down to the basic question of whether there is *litis pendentia* involving SBMA Case Nos. 04-001 and 04-002 and Civil Case No. 155-O-2006.

The Court's Ruling

The petition is meritorious.

As may be noted, the RTC viewed Subic Telecom's cause of action as oppositor in SBMA Case Nos. 04-001 and 04-002 as the very same cause of action in Civil Case No. 155-O-2006 as the "evidence needed to support both x x x is the correct interpretation and application of the pertinent provisions of the [JVA] under consideration." [27]

Similarly, the appellate court posited the existence in this case of *litis pendentia* on the rationale that "evidently, the judgment that may be rendered in one would, regardless of which party is successful, inevitably amount to *res judicata* in the other. Simply put, the identity of the causes of action in the civil case *a quo* and in the SBMA cases is patent. The causes of action are premised on whether or not appellant [Subic Telecom] has the right to be the exclusive telecommunications service provider within the [SBFZ], so as to preclude appellee Innove from operating therein." [28]

We cannot agree with the case disposition of the courts *a quo*.

Litis pendentia, a Latin term meaning "a pending suit," is also referred to as *lis pendens* and *auter action pendant*. While it is normally connected with the control which the court has over a property involved in a suit during the continuance proceedings, it is interposed more as a ground for the dismissal of a civil action pending in court. [29]

Litis pendentia as a ground for the dismissal of a civil action contemplates a situation wherein another action is pending between the same parties for the same cause of action, such that the second action becomes unnecessary and vexatious. [30] In fact, it is one of the grounds that authorizes a court to dismiss a case *motu proprio*. [31] It is provided under Sec. 1(e), Rule 16 of the 1997 Rules of Civil Procedure, thus:

SECTION 1. Grounds.³⁴ Within the time for but before filing the answer to the complaint or pleading asserting a claim, a motion to dismiss may be made on any of the following grounds:

x x x

(e) That there is another action pending between the same parties for the same cause.

Litis pendentia is predicated on the principle that a party should not be allowed to vex another more than once regarding the same subject matter and for the same cause of action. [32] This principle in turn is founded on the public policy that the same subject matter should not be the subject of controversy in courts more than once, in order that possible conflicting judgments may be avoided for the sake of the stability of the rights and status of persons, [33] and also to avoid the costs and expenses incident to numerous suits.

Among the several tests resorted to in ascertaining whether two suits relate to a single or common cause of action are: (1) whether the same evidence would support and sustain both the first and second causes of action; [34] and (2) whether the defenses in one case may be used to substantiate the complaint in the other. [35]

The determination of whether there is an identity of causes of action for purposes of *litis pendentia* is inextricably linked with that of *res judicata*, each constituting an element of the other. In either case, both relate to the sound practice of including, in a single litigation, the disposition of all issues relating to a cause of action that is before a court. [36]

Thus, the invocation of the *litis pendentia* or *res judicata* rule is proper in cases where a party splits a cause of action by, for example, filing separate cases to recover separate reliefs for a single cause of action, or in cases where a defendant files another case arising from what should have been pleaded in a compulsory counterclaim.

For *litis pendentia* to exist, the following requisites or elements must concur: (a) identity of parties, or at least such parties who represent the same interests in both actions; (b) identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) identity with respect to the two (2) preceding particulars in the two (2) cases is such that any judgment that may be rendered in the pending case, regardless of which party is

successful, would amount to res judicata in the other case.[37]

In the instant case, both cases seemingly involve the same parties, but a close perusal of those cases shows otherwise. In the first case, SBMA Case Nos. 04-001 and 04-002, involving the application of Innove before the SBMA Telecommunications Department for a CPCN to operate international and leased lines services as well as local exchange and toll services, SBMA was not a party but was the quasi-judicial body hearing the application, while Subic Telecom intervened in said case as oppositor to Innove's application to protect its interests. But in the second case, Civil Case No. 155-O-2006, filed by Subic Telecom, SBMA was the principal party (defendant) for specific performance and mandatory injunction, while Innove was impleaded for having been granted a temporary franchise by SBMA. Thus, as between the administrative case and the civil case, there was no identity of parties.

As regards the reliefs sought, Subic Telecom prays in SBMA Case Nos. 04-001 and 04-002 for (a) the denial of Innove's application on the ground that Subic Telecom is exercising its right for an extension of its alleged exclusivity right to operate basic and enhanced telecommunications services in the SBFZ; and, in the meantime, (b) the SBMA to defer the proceedings on Innove's application pending the resolution by SBMA on Subic Telecom's notices to extend for five years its alleged exclusivity rights under Sec. 18(k) of the JVA. In Civil Case No. 155-O-2006, on the other hand, Subic Telecom pleads that the RTC (a) declare its notices of renewal as a valid exercise of its option to renew the effectivity of Secs. 11(c)(ii) and 18(k) of the June 29, 1994 JVA for five years; (b) order SBMA to comply with its contractual obligations under said JVA; and (c) issue a permanent injunctive writ.

The remedies Subic Telecom sought in the first case hinge on the acceptance by SBMA of Innove's application and the consequent proceedings. The second case was based on and was triggered by the denial by SBMA of Subic Telecom's notices to exercise the renewal of its alleged exclusivity rights under the JVA which the latter viewed as violation of the former's contractual obligations under the JVA.

The Court can plausibly concede that both cases, insofar as Subic Telecom's defense in the first case and cause of action in the second case are concerned, touch and deal with the interpretation of the pertinent JVA provisions. It cannot be over-emphasized, however, that both cases are not based on the same set of controlling facts, for when Subic Telecom opposed Innove's application, its notices of renewal to SBMA have not yet been rejected or denied. While, in the second case, its notices of renewal have already been denied, prompting it to file a suit for specific performance that entailed a determination by the RTC of the rights of the parties, i.e., primarily those of Subic Telecom and SBMA, based on the June 29, 1994 JVA through the interpretation of its pertinent provisos. From the foregoing distinction, it is clear that there is, as between the two actions, no identity of rights asserted and reliefs prayed for; and the facts whence the reliefs are sought are different.

In ruling on the presence of *litis pendentia*, both the trial and appellate courts, however, overlooked the fact that there is more to determining the identity of the causes of action than an identity of the documentary evidence presented by Subic Telecom. But the more fundamental question to consider is whether or not the cause of action in the second case existed at the time of the filing of the first case.

To reiterate, the denial by SBMA of Subic Telecom's notices of renewal of its exclusivity privilege gave rise to the latter's cause of action in the second case for specific performance based on the JVA stipulations, particularly Sec. 18(k) in relation to Sec. 11(c)(ii). Whereas, in the administrative case (first case), Subic Telecom was pursuing its rights based on the same provisos of the JVA before SBMA could act on its notices for such renewal.

A cause of action is the fact or combination of facts which affords a party a right to judicial interference in his behalf.[38] The elements that constitute a cause of action are: (1) the legal right of the plaintiff; (2) correlative obligation of the defendant to respect that legal right; and (3) an act or omission of the defendant that violates

such right.[39]

All the elements above appear to obtain in the instant civil case. Sec. 18(k) of the JVA conferred on Subic Telecom a certain legal right which SBMA has the corresponding obligation to respect. And, to Subic Telecom, SBMA had violated such right by ignoring, if not denying, the former's notice of or request for renewal.

Lest it be overlooked, the SBMA is the decision-maker in SBMA Case Nos. 04-001 and 04-002, being the regulator for telecommunications in the SBFZ. Be that as it may, SBMA cannot be impleaded in said case when it denied Subic Telecom's notices of renewal. And for an obvious reason, Subic Telecom cannot, in said administrative case, pursue, let alone succeed in, an action for specific performance against SBMA. Since SBMA is a party to the JVA, thus otherwise rendering it bound for the obligations it freely entered into, Subic Telecom cannot and may not compel SBMA to honor its commitments through the same administrative case before the SBMA. SBMA, to be sure, would necessarily be biased for the SBMA in cases before it.

Upon the foregoing considerations, the appropriate action for Subic Telecom to pursue is a suit for specific performance before an independent body, the RTC, for the latter to interpret the pertinent provisos in the JVA and adjudicate the rights and obligations of SBMA and Subic Telecom, pursuant to Sec. 19(1)[40] of Batas Pambansa Blg. 129, as amended, otherwise known as "The Judiciary Reorganization Act of 1980."

The bare fact that Subic Telecom included Innove as a party defendant in its complaint for specific performance does not bring into play the application of *litis pendentia*. Innove was impleaded only because SBMA granted it a temporary franchise to operate, a privilege which would necessarily be canceled or dissolved in the event Subic Telecom secures a favorable court ruling. Were it not for the temporary grant, Innove would really be irrelevant in the principal action for specific performance.

As for the third requisite of *litis pendentia*, we likewise find it absent in this case.

It cannot be said that a judgment in SBMA Case Nos. 04-001 and 04-002 would have settled all matters concerning the rights and obligations of the parties under the JVA. In fine, any judgment in SBMA Case Nos. 04-001 and 04-002, regardless of the prevailing party, would not necessarily resolve Subic Telecom's rights under the JVA, and would not, therefore, constitute *res judicata* as to the second case, i.e., Civil Case No. 155-O-2006.

This brings us to Subic Telecom's plea for injunction, the issuance of which it predicates on its perceived rights under the JVA which SBMA allegedly ignored. In this regard, it is inappropriate for the Court to favorably act on the plea, absent a clear-cut determination of the right in esse of Subic Telecom, a material and substantial evasion of such right, and the prevention of irreparable injury, if any. As may be noted, both the RTC and the CA no longer saw fit to delve into the asserted right issue which to them was rendered moot by their finding, erroneous as it turned out, on the existence of *litis pendentia*. Thus, we cannot make yet a judicious disposition as to the propriety of an injunction, given for one the dearth of evidence on record. By the same token, it would be premature to order the trial court to issue the injunctive writ. The remand of the case to the RTC is in order, thereby allowing Subic Telecom to substantiate its assertions on the existence of its rights and the alleged breach by SBMA of its obligations, and for respondents SBMA and Innove, if so minded, to contest them. The Court has time and again reiterated that it is not a trier of fact or otherwise structurally capacitated to receive and evaluate evidence.

WHEREFORE, the petition is hereby GRANTED. Accordingly, the CA's April 4, 2008 Decision and October 28, 2008 Resolution in CA-G.R. CV No. 88757 that affirmed the RTC's Orders dated June 30, 2006 and August 24, 2006 are hereby REVERSED and SET ASIDE. The RTC, Branch 74 in Olongapo City is hereby ordered to continue with the proceedings of Civil Case No. 155-O-2006 and resolve it with dispatch. No costs.

SO ORDERED.

Carpio, (Chairperson), Chico-Nazario, Nachura, and Peralta, JJ., concur.

[1] Rollo, pp. 39-56. Penned by Associate Justice Celia C. Librea-Leagogo and concurred in by Associate Justices Regalado E. Maambong and Agustin S. Dizon.

[2] Id. at 58-59.

[3] The SBFZ comprises the former Subic Naval Base, Olongapo City and the municipalities of Subic, Morong, and Hermosa.

[4] Rollo, pp. 73-100.

[5] Id. at 130-131.

[6] Id. at 92-93.

[7] Id. at 98-99.

[8] Id. at 101.

[9] Id. at 102.

[10] Id. at 103-111.

[11] Id. at 112-113, per Certification No. 04-671, Series of 2004, Memorandum dated September 28, 2004.

[12] Id. at 114-115, per Jocelyn D. Collins, Head, Telecommunications Department, SBMA.

[13] Id. at 116-122.

[14] Id. at 123-127.

[15] Id. at 128-129.

[16] Id. at 132-145.

[17] Id. at 146-147.

[18] Id. at 148-152.

[19] Id. at 153.

[20] Id. at 178-187.

[21] Id. at 188-211.

[22] Id. at 212-214. Penned by Judge Ramon S. Caguioa.

[23] Id. at 214.

[24] Id. at 222.

[25] Id. at 54.

[26] Id. at 23.

[27] Id. at 214.

[28] Id. at 52.

[29] Agilent Technologies Singapore (Pte.) Ltd. v. Integrated Silicon Technology Philippines Corporation, G.R. No. 154618, April 14, 2004, 427 SCRA 593, 601.

[30] Guevarra v. BPI Securities Corporation, G.R. No. 159786, August 15, 2006, 498 SCRA 613, 63.

[31] Rudolf Lietz Holdings, Inc. v. The Registry of Deeds of Parañaque City, G.R. No. 133007, November 29, 2000, 344 SCRA 680, 686.

[32] Sherwill Development Corporation v. Sitio Sto. Niño Residents Association, Inc., G.R. No. 158455, June 28, 2005, 461 SCRA 517, 531.

[33] Forbes Park Association, Inc. v. Pagrel, Inc., G.R. No. 153821, February 13, 2008, 545 SCRA 39, 49.

[34] Feliciano v. Court of Appeals, G.R. No. 123293, March 5, 1998, 287 SCRA 61, 68.

[35] Victronics Computers, Inc. v. RTC, Branch 63, Makati, G.R. No. 104019, January 25, 1993, 217 SCRA 517, 530.

[36] See 2 J.Y. Feria and M.C.S. Noche, CIVIL PROCEDURE ANNOTATED 126 (2001).

[37] Bangko Silangan Development Bank v. Court of Appeals, G.R. No. 110480, June 29, 2001, 360 SCRA 322, 335; citation omitted.

[38] Philippine National Construction Corporation v. Court of Appeals, G.R. No. 165433, February 6, 2007, 514 SCRA 569, 582; citing Navoa v. Court of Appeals, G.R. No. 59255, December 29, 1995, 251 SCRA 545, 552.

[39] Pineda v. Santiago, G.R. No. 143482, April 13, 2007, 521 SCRA 47, 63; citing Goodyear Phils., Inc. v. Sy, G.R. No. 154554, November 9, 2005, 474 SCRA 427, 435.

[40] SEC. 19. Jurisdiction in Civil Cases. -- Regional Trial Courts shall exercise exclusive original jurisdiction:

(1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation.

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