

CARMELITA LIMJAP, PETITIONER, VS. HONORABLE PEDRO SAMSON C. ANIMAS, IN HIS CAPACITY AS JUDGE OF THE COURT OF FIRST INSTANCE, BRANCH I, 16TH JUDICIAL DISTRICT, GENERAL SANTOS CIT...

G.R. No. 53334. January 17, 1985

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

The sole issue in this Petition for Review is whether or not venue was properly laid before the Court of First Instance of General Santos City, South Cotabato.

On November 2, 1971, in the City of Manila, petitioner entered into a Contract of Lease with the Bureau of Customs (succeeded by the Philippine Ports Authority) over a portion of the port area of Makar Wharf, General Santos City, with an area of 60 square meters, more or less, to construct and maintain a deepwell pump with pipeline connections to supply the fresh water needs of vessels and occupants of the Port of Makar. The pertinent provisions of the contract were:

"5. This contract shall be for a period of Twenty (20) years from the date of approval by the Secretary of Finance, renewable for another 20 years upon mutual agreement of the parties under such terms and conditions to be agreed upon. After the 20th year of this contract, all fixed installations and improvements shall be automatically owned by the LESSOR without any obligation to reimburse the cost thereof; Provided, however, that the LESSEE shall be given priority right to lease the same:

x x x x x

"16. If at any time during the existence of this lease, it should appear that the land leased is necessary for the public interest for the protection of any source of water, or for any work for the public benefit that the Government wish to undertake, the LESSOR may order the cancellation of the lease upon payment of the value of the improvements made therein by the LESSEE; Provided, that in the event that only a portion or certain portions of the land are necessary for the aforesaid purposes, the lease may be amended or modified by excluding said portion or portions, as the case may be, in which case, the rental shall be reduced correspondingly;

x x x x x

"21. The venue of any action arising from this contract shall be in the City of Manila.

x x x x x"

On July 11, 1974, Presidential Decree No. 505 was promulgated, subsequently superseded by Presidential Decree No. 857, dated December 23, 1975, creating the Philippine Ports Authority (PPA). Under Section 39(c) of the latter statute, all the powers, duties, and jurisdiction vested in the Bureau of Customs "pertaining to every matter concerning port facilities, port operations or port works" were transferred to and vested in the PPA.

On January 10, 1979, or about eight (8) years after the execution of the lease contract, the PPA, through its Port Manager for the Cotabato Port, gave notice to petitioner of the cancellation of the contract and gave her thirty (30) days from receipt to vacate the premises subject to the pay-ment of the value of the improvements made thereon.

By reason thereof, petitioner filed a Complaint before respondent Court for "Injunction and Damages with Preliminary Injunction and Prayer for Restraining Order" praying that the lease contract be declared as having full force and effect for the remaining period and that the PPA be enjoined from cancelling the contract, and for damages.

On February 9, 1979, respondent Court issued a Writ of Preliminary Injunction for the maintenance of the status quo pending final termination of the case.

On February 14, 1979, PPA filed a Motion to Dismiss on the ground of improper venue in view of the stipulation in the Lease Contract that "the venue of any action arising from this Contract shall be in the City of Manila." The Motion was sustained by respondent Court, which also denied the reconsideration that petitioner sought.

Hence, this Petition to which we gave due course. We had also issued a Temporary Restraining Order enjoining respondents from cancelling the lease contract, and to maintain the status quo as of the time of the filing of the Complaint on February 8, 1979.

Before us now, petitioner contends that while it may be true that the stipulation limiting venue of the action is valid, it raises doubt as to whether it is binding upon the parties considering that Sec. 44(h) of the Judiciary Act lays down the jurisdiction of Courts over the subject matter and the territorial limits over which the power of Injunction may be exercised.

We sustain respondent Court.

The stipulation in the lease contract limiting the venue of any action arising therefrom to the City of Manila is valid and binding pursuant to Section 3, Rule 4 of the Rules of Court providing that:

"Venue by agreement. - By written agreement of the parties, the venue of an action may be changed or transferred from one province to another".

That rule was restated and applied in *Hoechst Philip-pines, Inc. vs. Torres*, 83 SCRA 297 (1978), which held that:

"The pose taken by respondents does evoke sympathy, but it can hardly carry the day for them. Change or transfer of venue from that fixed in the rules may be effected upon written agreement of the parties not only before the actual filing of the action but even after the same has been filed. The settled rule of jurisprudence in this jurisdiction is that a written agreement of the parties as to venue, as authorized by Sec. 3, Rule 4, is not only binding between the parties but also enforceable by the courts. If is only after the action has been filed already that change or transfer of venue by agreement of the parties is understandably controllable in the discretion of the court. The agreement in this case was entered into long before the petitioner's action was filed. It is clear and unequivocal. The parties therein stipulated that 'in case of any litigation arising out of this agreement, the venue of any action shall be in the competent courts of the province of Rizal. No further stipulations are necessary to elicit the thought that both parties agreed that any action by either of them would be filed only in the competent courts of Rizal province exclusively.'"

There should be no question either, following *Dagupan Electric Corporation, et al. vs. Hon. Paño, et al.*, 95 SCRA 693 (1980), that the Court of First Instance of Manila (now the Regional Trial Court) has jurisdiction to issue a Writ of Injunction against PPA or any of its officials, if need be, since its offices are situated at the B.F. Homes Condominium, Intramuros, Manila, where its business is managed by its Board of Directors and General Manager, and, therefore, within the territorial jurisdiction of the Court of First Instance of Manila for purposes of

Section 44 of Republic Act No. 296, as amended. Its main office is in Manila with field offices only scattered in different parts of the country. As we held in the parallel Dagupan Electric case, *supra*:

"The petitioners contend that the Court of First instance of Rizal at Quezon City has no jurisdiction over the case because the act of disconnecting the power to the hotel of the MC Adore Finance and Investment, Inc. took place in Dagupan City, outside the Province of Rizal and Quezon City.

"The respondents submit that the act of disconnection was the result of an order issued by the Dagupan Electric Corporation from its business office in Quezon City.

"The Court of First Instance of Rizal at Quezon City has jurisdiction over Civil Case No. Q-26502.

"The Dagupan Electric Corporation has its principal office in Quezon City where the business of the corporation is managed by the Board of Directors. Decisions of the said corporation are made in Quezon City. The employees of the Dagupan Electric Corporation in Dagupan City merely carry out the orders issued by the officials of said corporation in Quezon City. Hence the acts sought to be restrained are being committed in Quezon City."

ACCORDINGLY, the Petition is hereby dismissed, without prejudice to the filing of the complaint before the proper Court. The Temporary Restraining Order heretofore issued is hereby ordered to be lifted effective after fifteen (15) days from notice hereof. Costs against petitioner.

SO ORDERED.

Teehankee, (Chairman), Plana, Relova, Gutierrez, Jr., and De la Fuente, JJ., concur.

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