

EMILIO ENRIQUEZ, PLAINTIFF-APPELLEE, VS. FORTUNA MARICULTURE CORPORATION, DEFENDANT-APPELLANT.

G.R. No. 77869. March 16, 1988

Ponente: FELICIANO, J.

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FELICIANO, J.:

The Court of Appeals, by a Resolution dated 28 November 1986, certified this case to this Court as involving a “pure question of law”: “i.e., the effect of the February 14, 1983 en banc Resolution of the Honorable Supreme Court over Sections 19 (8) and 33 (1) of B.P. Blg. 129. Defendant-appellant postulates that to give the said Resolution an amendatory effect is violative of the principle of separation of powers.” In a Resolution dated 31 March 1987, the Supreme Court en banc accepted this case.

On 31 January 1983, plaintiff Emilio Enriquez filed a complaint with the Regional Trial Court of Zamboanga City, Branch 15, which was docketed as Civil Case No. 2867, seeking recovery from the defendant corporation of the principal amount of P15,336.50 plus interest in the amount of P2,147.11, or a total of P17,483.61. After summons had been twice served defectively, summons was for the third time served, this time properly, on 8 November 1983, upon the Assistant Vice President-Finance of defendant corporation, Mr. Renato Eleria.

On 21 November 1983, plaintiff moved to declare defendant in default. By an order dated 2 December 1983, the trial court declared defendant-appellant in default and directed the Clerk of Court to set the case for reception of evidence ex-parte.

In a decision dated 19 December 1983, the trial court rendered judgment in favor of the plaintiff, requiring the defendant corporation to pay to the plaintiff the following:

“1.

the amount of P15,336.50, representing the principal obligation of the defendant to the plaintiff, plus twelve (12%) percent interest per annum from the time it became due, until the same is fully paid;

“2.

P4,000.00 as and for attorney's fees;

“3.

P500.00 for expenses of litigation incurred by the plaintiff; and

“4.

Costs of this proceedings."

Defendant corporation appealed to the Court of Appeals raising the following issues:

"1.

Whether or not the Regional Trial Court in Branch 15, 9th Judicial Region, in Zamboanga City, has jurisdiction over the subject matter of the action or suit of the basic complaint?

"2.

Whether or not the Regional Trial Court has jurisdiction over the nature of the action or suit of the basic complaint?

"3.

Whether or not the award of attorney's fees in the 19 December 1983 decision appealed from is proper?"

In its decision, the trial court had justified its assumption of jurisdiction over the case in the following manner:

"Plaintiff's complaint was filed on January 31, 1983, seeking to recover from the defendant the principal amount of P15,336.50, and an interest of P2,147.11, or a total of P17,483.61. Off-hand, it would appear that jurisdiction over the case would fall on the Municipal Trial Court of Zamboanga City, not on the Regional Trial Court, considering that under Section 33, paragraph 1, of Batas Pambansa Bilang 129, the Municipal Trial Court shall exercise exclusive original jurisdiction over civil cases where the amount of the demand does not exceed P20,000.00 exclusive of interest and costs, and that under Section 19, paragraph 8 of the same law, the Regional Trial Court's exclusive original jurisdiction in all cases in which the demand, exclusive of interest and cost or the value of the property in controversy, amounts to more than P20,000.00.

"The Supreme Court, however, in a resolution en banc, dated February 10, 1983 providing for the guidelines in the distribution of cases in implementation of the Judiciary Reorganization Act of 1981 (B.P. Blg. 129), resolved that all pending cases as of February 14, 1983, in the Regional Trial Courts shall remain with the Regional Trial Court even though there may have been a change of jurisdiction provided in B.P. Blg. 129. There is no question that under the old law (Judiciary Act of 1948), the claim of the plaintiff is within the jurisdiction of the Court of First Instance, the precursor of the present Regional Trial Court, so that at the time of the promulgation of said Supreme Court en banc resolution, the case at bar was pending with the Regional Trial Court. On this basis, therefore, this Court holds that it has the jurisdiction to try and decide the instant case." (pp. 67-67-A, records) (Underscoring supplied)

For its part, the defendant corporation assails the application by the trial court of the en banc Resolution of the Supreme Court dated 10 February 1983, as in conflict with the principle of separation of powers. Most succinctly put, the argument of the defendant corporation is that under B.P. Blg. 129, jurisdiction over the present case was lodged with the Municipal Trial Court of Zamboanga City and not with the Regional Trial Court of that same city, and that the Supreme Court's Resolution of 14 February 1983 could not, as a matter of constitutional law, amend or modify B.P. Blg. 129.

There is no question that exclusive original jurisdiction over collection cases involving an amount not exceeding P20,000.00 (exclusive of interest and costs) has been vested by Section 33 (1) of B.P. Blg. 129 in the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts. Under Section 19 (8) of B.P. Blg. 129, Regional Trial Courts have exclusive original jurisdiction over collection cases where the amount

involved (exclusive of interest and costs) exceeds P20,000.00. The basic question, therefore, is whether or not Section 33 (1) and Section 19 (8) of B.P. Blg. 129 were in effect as of 31 January 1983 when the complaint in the present case was originally filed in the Regional Trial Court of Zamboanga City.

Section 48 of B.P. Blg. 129 provides that:

"Date of Effectivity. - This Act shall take effect immediately." (Underscoring supplied)

Section 44, however, of the same statute reads as follows:

"Transitory Provisions. - The provisions of this Act shall be immediately carried out in accordance with an Executive Order to be issued by the President. The Court of Appeals, the Court of First Instance, the Circuit Criminal Courts, the Juvenile and Domestic Relations Courts, the Courts of Agrarian Relations, the City Courts, the Municipal Courts, and the Municipal Circuit Courts shall continue to function as presently constituted and organized, until the completion of the reorganization provided in this Act as declared by the President. Upon such declaration, the said courts shall be deemed automatically abolished and the incumbents thereof shall cease to hold office. The cases pending in the old Courts shall be transferred to the appropriate Courts constituted pursuant to this Act, together with the pertinent functions, records, equipment, property and the necessary personnel.

The applicable appropriations shall likewise be transferred to the appropriate courts constituted pursuant to this Act, to be augmented as may be necessary from the funds for organizational changes as provided in Batas Pambansa Blg. 80. Said funding shall thereafter be included in the annual General Appropriations Act." (Underscoring supplied)

Clearly, notwithstanding the provisions of Section 48, the provisions of the statute could not be immediately carried out as soon as the Batasan Pambansa had enacted it on 10 August 1981. On the contrary, the statute envisaged the issuance of an Executive Order by the President before the provisions of the statute could be carried out and implemented. Executive Order No. 864 - the Executive Order contemplated in the statute - was issued only on 17 January 1983,[1] or approximately eighteen (18) months after the Batasan Pambansa had enacted the statute.

Section 1 of Executive Order No. 864 reads as follows:

"SECTION 1. The Court of Appeals, Court of First Instance, Juvenile and Domestic Relations Courts, Circuit Criminal Courts, Courts of Agrarian Relations and all City, Municipal Courts, and Municipal Circuit Courts shall be deemed automatically abolished upon the constitution and organization of the Intermediate Appellate Courts, Regional Trial Courts, Metropolitan Trial Court, Municipal Trial Courts and Municipal Circuit Trial Courts as of 12:00 o'clock midnight, of January 17, 1983." (Underscoring supplied)

Since the Regional Trial Courts and the Municipal Trial Courts were constituted and organized as of 17 January 1983, the question arises whether Sections 19 (8) and 33 (1) of B.P. Blg. 129 also went into effect on that same day. Close examination of the provisions of B.P. Blg. 129 and Executive Order No. 864 shows that that question must be given a negative answer.

We note, firstly, that Section 18 of B.P. Blg. 129 authorized and required the Supreme Court to define the territory appurtenant to each branch of each Regional Trial Court within each Judicial District:

"Authority to define territory appurtenant to each branch. - The Supreme Court shall define the territory over which a branch of the Regional Trial Court shall exercise its authority. The territory thus defined shall be deemed to be the territorial area of the branch concerned for purposes of determining the venue of all suits, proceedings or actions, whether civil or criminal, as well as determining the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Courts over which the said branch may exercise appellate

jurisdiction. The power herein granted shall be exercised with a view to making the courts readily accessible to the people of the different parts of the region and making the attendance of litigants and witnesses as inexpensive as possible." (Underscoring supplied)

Executive Order No. 864 referred to the same need to define the territory of each Regional Trial Court and the seat of each Municipal Trial Court:

"SEC. 4. In accordance with Section 18 of B.P. Blg. 129, the Supreme Court shall define the territory of the Regional Trial Court and shall designate the city or municipality where each Municipal Trial Court shall hold sessions, pursuant to Section 31 of the same law.

"The Supreme Court shall likewise include all the newly created municipalities without a municipal trial court in the existing municipal circuits as organized pursuant to P.D. No. 537, without prejudice to further reorganization as authorized in said Section 31." (Underscoring supplied)

It scarcely needs documentation to show that before the substantive jurisdiction of the Regional and Municipal Trial Courts (and the Metropolitan and Municipal Circuit Trial Courts) can be implemented, the territory over which such substantive jurisdiction may be exercised must first be determined. The Supreme Court did define the territorial areas in respect of which the Regional Trial Courts in the National Capital Region and in Regions I to XII may exercise their jurisdiction, by issuing Administrative Order No. 3, Series of 1983, dated 19 January 1983[2] and Administrative Order No. 7, Series of 1983, dated 11 February 1983.[3]

We observe, secondly, that after the delimitation of each branch of the Regional Trial Courts, still another step was necessary before the new allocation of substantive jurisdiction between Regional Trial Courts on the one hand, and Metropolitan, Municipal and Municipal Circuit Trial Courts on the other, under B.P. Blg. 129 could be implemented -- the establishment of a cut-off date and the promulgation of rules for the distribution of cases already pending as of the cut-off date. This step was contemplated in Section 44 of the statute -- its "Transitory Provisions" -- which, among other things, directed that:

"[t]he cases pending in the old Courts shall be transferred to the appropriate Courts constituted pursuant to this Act, together with the pertinent functions, records, equipment, property and the necessary personnel." (Underscoring supplied)

That this transfer of pending cases, records, etc., needed human intervention and implementation, was recognized in the third Whereas clause of Executive Order No. 864:

"WHEREAS, there is need to issue guidelines for the transfer of pending cases, records, personnel, equipment, property and appropriations to the new courts." (Underscoring supplied)

This Court took that last step when it promulgated its Resolution en banc of 14 February 1983. This Resolution read, in pertinent part:

"I. PENDING CASES AS OF FEBRUARY 14, 1983:

General Rule. - All pending cases as of February 14, 1983 shall be distributed, by raffle, among all branches in a multiple sala seat with incumbent judges except as herein provided;

x x x x x x x x

3. All pending cases in the Regional Trial Courts (under the former Judiciary Act, the Courts of First Instance, Circuit Criminal Courts, Juvenile and Domestic Relations Court and Court of Agrarian Relations) shall remain with the Regional Trial Courts even though there may have been a change of jurisdiction provided in Batas Pambansa Blg. 129.

By way of example:

- Cases in the Regional Trial Courts where the amount involved is above P10,000.00 up to P20,000.00 exclusive of interest and costs shall remain therein even though the jurisdiction of the Metropolitan Trial Courts, the Municipal Trial Courts, and Municipal Circuit Trial Courts has been increased to P20,000.00;
- Adoption and guardianship proceedings which formerly pertained to the concurrent jurisdiction of the former Courts of First Instance and City and Municipal Courts and which now fall within the exclusive original jurisdiction of the Regional Trial Courts will remain respectively with the appropriate Regional Trial Courts, Metropolitan Trial Courts, or Municipal Trial Courts, and Municipal Circuit Trial Courts; and
- Cases for annulment of judgment of the former Courts of First Instance which were filed with coordinate Courts of First Instance shall be transferred to the Regional Trial Courts that took the place of such former Courts of First Instance where the cases were originally filed even though such cases now fall within the exclusive jurisdiction of the Intermediate Appellate Courts.

x x x x x x x x

II. CASES FILED AFTER FEBRUARY 14, 1983

After February 14, 1983, all cases shall be filed with the appropriate court in accordance with Administrative Order No. 7, Series of 1983.

x x x x x x x x." (Underscoring supplied)

It thus appears clear that the provision on effectivity of B.P. Blg. 129 was not self-executing, that for the actual operation and implementation of the substantive jurisdiction of the several courts established under that statute, both the President and the Supreme Court had to act and that they acted not simultaneously but sequentially, which was not at all surprising and perhaps but proper, considering that the two (2) comprise separate and independent departments of government. There was no amendment of the statute involved here, either by the President or by the Supreme Court and hence no collision with the fundamental principle of separation of powers. There was only the phased implementation of a statute that at one and the same time reorganized the structure of the judiciary below the Supreme Court and reallocated substantive jurisdiction among the various courts established by it. Perhaps, the latter -- the redistribution of jurisdiction -- could have been rendered effective at one stroke of time if the courts involved were pre-existing and previously operating which, however, was not the case here.

We conclude that the court a quo correctly applied the Resolution en banc of this Court of 14 February 1983.

WHEREFORE, the decision of the Regional Trial Court of Zamboanga City, Branch 15, is **AFFIRMED**. No pronouncement as to costs.

SO ORDERED.

Teehankee, C.J., Yap, Fernan, Narvasa, Melencio-Herrera, Gutierrez, Jr., Cruz, Paras, Gancayco, Padilla, Bidin, Sarmiento, Cortes, and Griño-Aquino, JJ., concur.

[1] 79 Official Gazette 7253 (19 December 1983).

[2] 79 Official Gazette 4152 (25 July 1983).

[3] 79 Official Gazette 4159 (25 July 1983).

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