



Republic of the Philippines
Supreme Court
 Manila

CERT.
Wifredo P. Reyes, Jr.
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THIRD DIVISION

DEC 7 2016

**RADIOWEALTH FINANCE
 COMPANY, INC.,**

G.R. No. 227146

Petitioner,

Present:

VELASCO, JR.,* J.,
 PERALTA,**
Acting Chairperson,
 PEREZ,
 REYES, and
 JARDELEZA, JJ.

- versus -

**ROMEO T. NOLASCO and
 REYNALDO T. NOLASCO,**

Promulgated:

Respondents.

November 14, 2016

x-----*Wifredo P. Reyes, Jr.*-----x

RESOLUTION

REYES, J.:

This is a petition for review on *certiorari*¹ filed under Rule 45 of the Rules of Court assailing the Amended Order² dated July 21, 2016 and Order³ dated September 1, 2016 of the Regional Trial Court (RTC) of San Mateo, Rizal, Branch 75, in Civil Case No. 2806-15 SM, on pure questions of law.

Factual Antecedents

Radiowealth Finance Company, Inc. (petitioner) is a domestic financing corporation duly organized and existing under the laws of the Philippines, with principal address at 7th Floor, DMG Center, Domingo M. Guevara Street, Mandaluyong City. On the other hand, Romeo Nolasco and

* On official leave.
 ** Acting Chairperson per Special Order No. 2395 dated October 19, 2016.
 1 *Rollo*, pp. 8-20.
 2 Rendered by Presiding Judge Beatrice A. Caunan-Medina; id. at 21-22.
 3 Id. at 23.

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Reynaldo Nolasco (respondents) are obligors of the petitioner who both maintain residence in Mandaluyong City.⁴

On March 31, 2014, the respondents secured a loan from the petitioner in the amount of ₱1,908,360.00, payable in installments within a period of 36 months, as evidenced by a Promissory Note⁵ executed on the same day. To secure the payment of the loan, the respondents constituted a Chattel Mortgage⁶ over a Fuso Super Great Dropside Truck, 2001 Model.⁷

Unfortunately, the respondents defaulted in the payment of the installments which caused the entire amount to become due and demandable. The petitioner repeatedly demanded from the respondents the payment of the balance of the loan, but they would not take heed and even refused to surrender the possession of the motor vehicle which stood as security for the loan. Thus, on September 30, 2015, the petitioner filed a Complaint⁸ for Sum of Money and Damages with Application for Writ of Replevin with the RTC of San Mateo, Rizal, praying that the respondents be ordered to pay their balance of ₱1,600,153.02 or, in the alternative, surrender the possession of the motor vehicle subject of the Chattel Mortgage dated March 31, 2014 so that the same may be put up on sale to answer for the obligation and the deficiency, if any, may be determined.

After an *ex parte* hearing, the RTC issued an Order⁹ dated March 28, 2016, directing the issuance of the Writ of Replevin. Subsequently, however, the RTC of San Mateo, Rizal issued an Amended Order¹⁰ dated July 21, 2016, dismissing *motu proprio* the case for lack of jurisdiction. Citing Section 2, Rule 4 of the 1997 Rules of Civil Procedure, it ruled that since neither the petitioner nor the respondents reside within the jurisdiction of the trial court, that is, either in San Mateo or Rodriguez, Rizal, the case must be dismissed.¹¹

On August 16, 2016, the petitioner filed a Motion for Reconsideration¹² arguing that the RTC of San Mateo, Rizal has jurisdiction over the case. It pointed out that the sum of money involved amounting to ₱1,600,153.02 is well within the jurisdiction of the RTC. Further, the venue is also proper, considering that there is a provision in the promissory note

⁴ Id. at 27.

⁵ Id. at 37-38.

⁶ Id. at 39-40.

⁷ Id. at 27-28.

⁸ Id. at 27-32.

⁹ Id. at 43.

¹⁰ Id. at 21-22.

¹¹ Id. at 22.

¹² Id. at 44-47.

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which states that any action to enforce payment of any sums due shall exclusively be brought in the proper court within the National Capital Judicial Region *or* in any place where the petitioner has a branch or office at its sole option.

In an Order¹³ dated September 1, 2016, the RTC reiterated its earlier ruling and denied the petitioner's motion for reconsideration.

The petitioner now comes before this Court, challenging the order of the RTC on pure questions of law. It contends that the RTC erred in concluding that it had no jurisdiction over the case and in *motu proprio* dismissing the same on the ground of improper venue.

Ruling of the Court

The petition is meritorious.

A reading of the questioned orders shows that the RTC confused the terms jurisdiction and venue, which are completely different concepts. There is no question that the RTC has jurisdiction over the complaint filed by the petitioner considering the nature of the case and the amount involved.

It bears noting that “[j]urisdiction’ is the court’s authority to hear and determine a case. The court’s jurisdiction over the nature and subject matter of an action is conferred by law.”¹⁴ Section 19(8) of Batas Pambansa Bilang 129,¹⁵ as amended by Republic Act (R.A.) No. 7691, provides:

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).

¹³ Id. at 23.

¹⁴ *Land Bank of the Philippines v. Villegas*, 630 Phil. 613, 617 (2010).

¹⁵ The Judiciary Reorganization Act of 1980.

This had been amended by Section 5 of R.A. No. 7691 which reads:

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).

The amount of ₱1,600,153.02 involved in the instant case is undoubtedly within the jurisdiction of the RTC, as all money claims exceeding ₱400,000.00 are within its authority to hear and decide. It is an error, therefore, for the RTC to claim lack of jurisdiction over the case.

At one point, the RTC anchored its ruling of dismissal on the fact that the complaint should have been filed in Mandaluyong City where the petitioner holds its main office and where the respondents both reside, and not in San Mateo, Rizal.

Apparently, the RTC mistook jurisdiction for the more lenient concept of venue. To clarify, jurisdiction and venue are not synonymous concepts. Primarily, jurisdiction is conferred by law and not subject to stipulation of the parties. It relates to the nature of the case. On the contrary, venue pertains to the place where the case may be filed. Unlike jurisdiction, venue may be waived and subjected to the agreement of the parties provided that it does not cause them inconvenience.

Section 2, Rule 4 of the 1997 Rules of Civil Procedure, which was relied upon by the RTC to support its ruling of dismissal, reads as follows:

Section 2. Venue of personal actions. — All other actions **may** be commenced and tried where the plaintiff or any of the principal plaintiffs resides, or where the defendant or any of the principal defendants resides, or in the case of a non-resident defendant where he may be found, at the election of the plaintiff. (Emphasis ours)

The foregoing provision is not restrictive. A plain reading of the provision shows that it is merely permissive as manifested by the use of the term “may.” Moreover, the clear language of the ensuing provision of Section 4 expressly allows the venue of personal actions to be subjected to the stipulation of the parties. It reads, thus:

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Section 4. *When rule not applicable.* — This Rule shall not apply.

- (a) In those cases where a specific rule or law provides otherwise;
or
- (b) **Where the parties have validly agreed in writing before the filing of the action on the exclusive venue thereof.**
(Emphasis ours)

Clearly, stipulation on venue is permitted and must be recognized for as long as it does not defeat the purpose of the Rules which primarily aims for the convenience of the parties to the dispute. In *Unimasters Conglomeration, Inc. v. CA*,¹⁶ the Court emphasized:

Parties may by stipulation waive the legal venue and such waiver is valid and effective being merely a personal privilege, which is not contrary to public policy or prejudicial to third persons. It is a general principle that a person may renounce any right which the law gives unless such renunciation would be against public policy.

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Since convenience is the *raison d'être* of the rules of venue, it is easy to accept the proposition that normally, venue stipulations should be deemed permissive merely, and that interpretation should be adopted which most serves the parties' convenience. In other words, stipulations designating venues other than those assigned by Rule 4 should be interpreted as designed to make it more convenient for the parties to institute actions arising from or in relation to their agreements; that is to say, as simply adding to or expanding the venues indicated in said Rule 4.¹⁷ (Citations omitted)

There is, therefore, nothing that prohibits the parties to decide on a different venue for any dispute or action that may arise from their agreement. In this case, in the promissory note executed and signed by the parties, there is a provision which states that “[a]ny action to enforce payment of any sums due under this Note shall exclusively be brought in the proper court within the National Capital Judicial Region or in any place where [the petitioner] has a branch/office, at its sole option.”¹⁸ Thus, the petitioner's filing of the case in San Mateo, Rizal, where it maintains a branch is proper and should have been respected by the RTC especially when there appears no objection on the part of the respondents.

¹⁶ 335 Phil. 415 (1997).

¹⁷ Id. at 424-425.

¹⁸ *Rollo*, p. 38.

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Moreover, the Court has emphasized in several cases that the RTC may not *motu proprio* dismiss the case on the ground of improper venue. It is a matter personal to the parties and without their objection at the earliest opportunity, as in a motion to dismiss or in the answer, it is deemed waived.

The discussion in *Dacoycoy v. Intermediate Appellate Court*¹⁹ is squarely in point, *viz.*:

Dismissing the complaint on the ground of improper venue is certainly not the appropriate course of action at this stage of the proceeding, particularly as venue, in inferior courts as well as in the Courts of First Instance (now RTC), may be waived expressly or impliedly. Where defendant fails to challenge timely the venue in a motion to dismiss as provided by Section 4 of Rule 4 of the Rules of Court, and allows the trial to be held and a decision to be rendered, he cannot on appeal or in a special action be permitted to challenge belatedly the wrong venue, which is deemed waived.

Thus, unless and until the defendant objects to the venue in a motion to dismiss, the venue cannot be truly said to have been improperly laid, as for all practical intents and purposes, the venue, though technically wrong, may be acceptable to the parties for whose convenience the rules on venue had been devised. The trial court cannot pre-empt the defendant's prerogative to object to the improper laying of the venue by *motu proprio* dismissing the case.²⁰

In the present case, the RTC carelessly interfered with the parties' agreement on the venue of their dispute and interrupted what could have been an expeditious flow of the proceeding. To reiterate, the choice of venue is a matter addressed to the sound judgment of the parties based on considerations personal to them, *i.e.* convenience. It is only the parties who may raise objection on the same. Absent such protest, it is an error for the RTC to decide that the venue was improperly laid as it is tantamount to needlessly interfering to a mutually agreed term.

WHEREFORE, the petition is **GRANTED**. The Amended Order dated July 21, 2016 and Order dated September 1, 2016 of the Regional Trial Court of San Mateo, Rizal, Branch 75, are **REVERSED and SET ASIDE** and Civil Case No. 2806-15 SM is hereby ordered **REINSTATED**. The RTC is ordered to proceed with dispatch in the disposition of the mentioned case.

¹⁹ 273 Phil. 1 (1991).

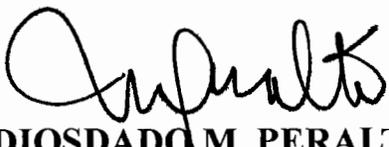
²⁰ *Id.* at 6-7.

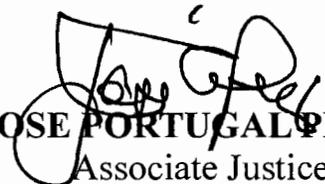
SO ORDERED.


BIENVENIDO L. REYES
Associate Justice

WE CONCUR:

(On official leave)
PRESBITERO J. VELASCO, JR.
Associate Justice


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson


JOSE PORTUGAL PEREZ
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson, Third Division

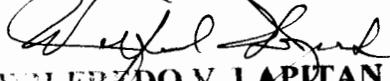
CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice

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WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
DEC 27 2016

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