

SECOND DIVISION

[G.R. No. 227147, July 30, 2018]

**RADIOWEALTH FINANCE COMPANY, INC., PETITIONER, VS.
ALFONSO O. PINEDA, JR., AND JOSEPHINE C. PINEDA,
RESPONDENTS.**

DECISION

PERLAS-BERNABE, J.:

This is a direct recourse to the Court from the Regional Trial Court of San Mateo, Rizal, Branch 75 (RTC), through a petition for review on *certiorari* assailing the Amended Order^[1] dated July 21, 2016 and the Order^[2] dated September 1, 2016 of the RTC in Civil Case No. 2814-15 SM which dismissed petitioner Radiowealth Finance Company, Inc.'s (petitioner) complaint for sum of money against respondents Alfonso O. Pineda, Jr. and Josephine C. Pineda (respondents) on the ground of lack of jurisdiction.

The Facts

In its Complaint^[3] dated October 12, 2015, petitioner alleged that on October 23, 2014, it extended a loan to respondents, as evidenced by a Promissory Note,^[4] in the amount of P557,808.00 payable in 24 equal monthly installments of P23,242.00, which was secured by a Chattel Mortgage^[5] constituted on a vehicle owned by respondents. Notably, the Promissory Note 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 Radiowealth Finance Company, Inc. has a branch/office, a[t] its sole option."^[6] Due to respondents' default, petitioner demanded payment of the whole remaining balance of the loan, which stood at P510,132.00 as of June 8, 2015, excluding penalty charges. As the demand went unheeded, petitioner filed the instant suit for sum of money and damages with application for a Writ of Replevin before the RTC, further alleging that it has a branch in San Mateo, Rizal.^[7]

The RTC Proceedings

In an Order^[8] dated March 28, 2016, the RTC issued a Writ of Replevin, due to respondents' continued failure to pay their monetary obligations to petitioner and/or surrender their vehicle subject of the Chattel Mortgage.

However, in an Amended Order^[9] dated July 21, 2016, the RTC recalled the Writ of Replevin and ordered the dismissal of petitioner's complaint on the ground of lack of jurisdiction. It pointed out that since: (a) petitioner's principal place of business is in

Mandaluyong City, Metro Manila; and (b) respondents' residence is in Porac, Pampanga, it has no jurisdiction over any of the party-litigants, warranting the dismissal of the complaint.^[10]

Aggrieved, petitioner moved for reconsideration,^[11] which was, however, denied in an Order^[12] dated September 1, 2016; hence, this petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the RTC correctly dismissed petitioner's complaint on the ground of lack of jurisdiction.

The Court's Ruling

The petition is meritorious.

"Jurisdiction is defined as the authority to hear and determine a cause or the right to act in a case. In addition to being conferred by the Constitution and the law, the rule is settled that a court's jurisdiction over the subject matter is determined by the relevant allegations in the complaint, the law in effect when the action is filed, and the character of the relief sought irrespective of whether the plaintiff is entitled to all or some of the claims asserted."^[13] This is markedly different from the concept of venue, which only pertains to the place or geographical location where a case is filed. In *Pilipinas Shell Petroleum Corporation v. Royal Ferry Services, Inc.*,^[14] the Court exhaustively differentiated these concepts, to wit:

Petitioner confuses the concepts of jurisdiction and venue. In *City of Lapu-Lapu v. Phil. Economic Zone Authority*:

On the one hand, jurisdiction is "the power to hear and determine cases of the general class to which the proceedings in question belong." Jurisdiction is a matter of substantive law. Thus, an action may be filed only with the court or tribunal where the Constitution or a statute says it can be brought. Objections to jurisdiction cannot be waived and may be brought at any stage of the proceedings, even on appeal. When a case is filed with a court which has no jurisdiction over the action, the court shall *motu proprio* dismiss the case.

On the other hand, venue is "the place of trial or geographical location in which an action or proceeding should be brought." In civil cases, venue is a matter of procedural law. A party's objections to venue must be brought at the earliest opportunity either in a motion to dismiss or in the answer; otherwise the objection shall be deemed waived. When the venue of a civil action is improperly laid, the court cannot *motu proprio* dismiss the case.

Wrong venue is merely a procedural infirmity, not a jurisdictional impediment. Jurisdiction is a matter of substantive law, while venue is a matter of procedural law.^[15]

In this case, petitioner filed a complaint for, *inter alia*, sum of money involving the amount of P510,132.00. Pursuant to Section 19 (8) of Batas Pambansa Blg. (BP) 129,^[16] as amended by Section 5 of Republic Act No. (RA) 7691,^[17] the RTC irrefragably has jurisdiction over petitioner's complaint. Thus, it erred in dismissing petitioner's complaint on the ground of its purported lack of jurisdiction.

Clearly, the RTC confused the concepts of jurisdiction and venue which, as already discussed, are not synonymous with each other. Even assuming *arguendo* that the RTC correctly pertained to venue, it still committed grave error in dismissing petitioner's complaint, as will be explained hereunder.

Rule 4 of the Rules of Court governs the rules on venue of civil actions, to wit:

Rule 4 VENUE OF ACTIONS

Section 1. *Venue of real actions.* – Actions affecting title to or possession of real property, or interest therein, shall be commenced and tried in the proper court which has jurisdiction over the area wherein the real property involved, or a portion thereof, is situated.

Forcible entry and detainer actions shall be commenced and tried in the municipal trial court of the municipality or city wherein the real property involved, or a portion thereof, is situated.

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.

Section 3. *Venue of actions against nonresidents.* – If any of the defendants does not reside and is not found in the Philippines, and the action affects the personal status of the plaintiff, or any property of said defendant located in the Philippines, the action may be commenced and tried in the court of the place where the plaintiff resides, or where the property or any portion thereof is situated or found.

Section 4. *When Rule not applicable.* – This Rule shall not apply –

- (a) In those cases where a specific rule or law provides otherwise; or