

THIRD DIVISION

[G.R. No. 227146, November 14, 2016]

**RADIOWEALTH FINANCE COMPANY, INC., PETITIONER, VS.
ROMEO T. NOLASCO AND REYNALDO T. NOLASCO,
RESPONDENTS.**

RESOLUTION

REYES, J.:

This is a petition for review on *certiorari*^[1] filed under Rule 45 of the Rules of Court assailing the Amended Order^[2] dated July 21, 2016 and Order^[3] 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 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 P1,908,360.00, payable in installments within a period of 36 months, as evidenced by a Promissory Note^[5] executed on the same day. To secure the payment of the loan, the respondents constituted a Chattel Mortgage^[6] 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 complaint^[8] 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 P1,600,153.02 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 Order^[9] dated March 28, 2016, directing the issuance of the Writ of Replevin. Subsequently, however, the RTC of San Mateo, Rizal issued an Amended Order^[10] 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 Reconsideration^[12] arguing that the RTC of San Mateo, Rizal has jurisdiction over the case. It pointed out that the sum of money involved amounting to P1,600,153.02 is well within the jurisdiction of the RTC. Further, the venue is also proper, considering that there is a provision in the promissory note 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 Order^[13] 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).

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 P1,600,153.02 involved in the instant case is undoubtedly within the jurisdiction of the RTC, as all money claims exceeding P400,000.00 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:

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: