

SECOND DIVISION

[G.R. NO. 171456, August 09, 2007]

UNIWIDE HOLDINGS, INC., PETITIONER, VS. ALEXANDER M. CRUZ, RESPONDENT.

DECISION

CARPIO MORALES, J.:

Petitioner, Uniwide Holdings, Inc. (UHI), whose principal office is located in Parañaque City, entered into a Franchise Agreement^[1] (the agreement) granting respondent, Alexander M. Cruz (Cruz), a five-year franchise to adopt and use the "Uniwide Family Store System" for the establishment and operation of a "Uniwide Family Store" along Marcos Highway, Sta. Cruz, Cogeo, Marikina City.

Article 10.2^[2] of the agreement called for Cruz as franchisee to pay UHI a monthly service fee of P50,000 or three percent of gross monthly purchases, whichever is higher, payable within five days after the end of each month without need of formal billing or demand from UHI. In case of any delay in the payment of the monthly service fee, Cruz would, under Article 10.3^[3] of the agreement, be liable to pay an interest charge of three percent per month.

It appears that Cruz had purchased goods from UHI's affiliated companies First Paragon Corporation (FPC) and Uniwide Sales Warehouse Club, Inc. (USWCI).

In August 2002, FPC and USWCI executed Deeds of Assignment^[4] in favor of UHI assigning all their rights and interests over Cruz's accounts payable to them.

As of August 13, 2002, Cruz had outstanding obligations with UHI, FPC, and USWCI in the total amount of P1,358,531.89, drawing UHI to send him a letter of even date for the settlement thereof in five days. His receipt of the letter notwithstanding, Cruz's accounts remained unsettled.

Thus UHI filed a complaint^[5] for collection of sum of money before the Regional Trial Court (RTC) of Parañaque docketed as Civil Case No. 04-0278 against Cruz on the following causes of action:

FIRST CAUSE OF ACTION

- 10. Being entitled to the payment of monthly service fee pursuant to the FA, which defendant failed to pay despite demand, plaintiff suffered actual damages** in the amount of Phil. Peso: One Million Three Hundred Twenty Seven Thousand Six Hundred Sixty Nine & 83/100 (P1,327,669.83), computed as of 05 April 2004, for which defendant should be held liable together with

legal interest thereon from the date of filing of this Complaint, until fully paid.

SECOND CAUSE OF ACTION

11. **Being the assignee of the receivable of FPC, which receivable defendant failed to pay despite demand, plaintiff suffered actual damages** in the amount of Phil. Peso: Sixty Four Thousand One Hundred Sixty Five & 96/100 (P64,165.96) for which defendant should be held liable together with the legal interest thereon computed from date of receipt of plaintiff's demand letter, or on August 16, 2002 to be exact, until fully paid.

THIRD CAUSE OF ACTION

12. **Being the assignee of the receivable of USWCI, which receivable defendant failed to pay despite demand, plaintiff suffered actual damages** in the total amount of Phil. Peso: One Million Five Hundred Seventy Nine Thousand Sixty One & 36/100 (P1,579,061.36), computed as of 05 April 2004, inclusive of the two and a half percent (2.5%) monthly interest, as and by way of penalty, and the three (3%) annual interest on the unpaid amount, for which defendant should be held liable, with legal interest thereon from the date of filing of this Complaint, until fully paid.

FOURTH CAUSE OF ACTION

13. By reason of defendant's obstinate refusal or failure to pay his indebtedness, plaintiff was constrained to file this Complaint and in the process incur expenses by way of attorney's fees, which could be reasonably estimated to reach at least Phil. Peso: Two Hundred Fifty Thousand (P250,000.00) and for which defendant should be held answerable for.^[6] (Emphasis and underscoring supplied)

To the complaint Cruz filed a motion to dismiss^[7] on the ground of improper venue, he invoking Article 27.5 of the agreement which reads:

27.5 Venue Stipulation - The **Franchisee consents to the exclusive jurisdiction of the courts of Quezon City**, the Franchisee waiving any other venue.^[8] (Emphasis supplied)

Branch 258 of the Parañaque RTC, by Order^[9] of December 12, 2005, granted Cruz's motion to dismiss.

Hence, the present petition before this Court, raising the sole legal issue of:

WHETHER A CASE BASED ON SEVERAL CAUSES OF ACTION IS DISMISSIBLE ON THE GROUND OF IMPROPER VENUE

WHERE ONLY ONE OF THE CAUSES OF ACTION ARISES FROM A CONTRACT WITH EXCLUSIVE VENUE STIPULATION.^[10] (Underscoring supplied)