

## THIRD DIVISION

**[ G.R. NO. 160053, August 28, 2006 ]**

**SPS. RENATO & ANGELINA LANTIN, PETITIONERS, VS. HON. JANE AURORA C. LANTION, PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF LIPA CITY, FOURTH JUDICIAL REGION, BRANCH 13, PLANTERS DEVELOPMENT BANK, ELIZABETH C. UMALI, ALICE PERCE, JELEN MOSCA, REGISTER OF DEEDS FOR LIPA CITY, BATANGAS, THE CLERK OF COURT AND EX-OFFICIO SHERIFF OF THE REGIONAL TRIAL COURT OF BATANGAS, RESPONDENTS.**

### DECISION

**QUISUMBING, J.:**

This is a petition for certiorari assailing the orders dated May 15, 2003<sup>[1]</sup> and September 15, 2003<sup>[2]</sup> in Civil Case No. 2002-0555 issued by public respondent, Presiding Judge Jane Aurora C. Lantion, of the Regional Trial Court (RTC) of Lipa City, Batangas.

The facts of the case are as follows:

Petitioners Renato and Angelina Lantin took several peso and dollar loans from respondent Planters Development Bank and executed several real estate mortgages and promissory notes to cover the loans. They defaulted on the payments so respondent bank foreclosed the mortgaged lots. The foreclosed properties, in partial satisfaction of petitioners' debt, were sold at a public auction where the respondent bank was the winning bidder. On November 8, 2003, petitioners filed against Planters Development Bank and its officers Elizabeth Umali, Alice Perce and Jelen Mosca (private respondents), a Complaint for Declaration of Nullity and/or Annulment of Sale and/or Mortgage, Reconveyance, Discharge of Mortgage, Accounting, Permanent Injunction, and Damages with the RTC of Lipa City, Batangas. Petitioners alleged that only their peso loans were covered by the mortgages and that these had already been fully paid, hence, the mortgages should have been discharged. They challenged the validity of the foreclosure on the alleged non-payment of their dollar loans as the mortgages did not cover those loans.

Private respondents moved to dismiss the complaint on the ground of improper venue since the loan agreements restricted the venue of any suit in Metro Manila.

On May 15, 2003, the respondent judge dismissed the case for improper venue.

Petitioners sought reconsideration. They argued that the trial court in effect prejudged the validity of the loan documents because the trial court based its dismissal on a venue stipulation provided in the agreement. The motion for reconsideration was denied and the lower court held that the previous order did not

touch upon the validity of the loan documents but merely ruled on the procedural issue of venue.

Petitioners now come before us alleging that:

## I

THE HONORABLE JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN HOLDING THAT THE VENUE STIPULATIONS IN THE "REAL ESTATE MORTGAGE" AND "PROMISSORY NOTES" FALL WITHIN THE PURVIEW OF SECTION 4(B) OF RULE 4 OF THE 1997 RULES OF CIVIL PROCEDURE IN THAT IT LIMITED THE VENUE OF ACTIONS TO A DEFINITE PLACE.

## II

THE HONORABLE JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN NOT FINDING THAT THE MERE USE OF THE WORD "EXCLUSIVELY" DOES **NOT**, BY ITSELF, MEAN THAT SUCH STIPULATIONS AUTOMATICALLY PROVIDE FOR AN "EXCLUSIVE VENUE", AS CONTEMPLATED BY SECTION 4(B) OF RULE 4 OF THE 1997 RULES OF CIVIL PROCEDURE, SPECIALLY WHEN THE TENOR OR LANGUAGE OF THE **ENTIRE** VENUE STIPULATION CLEARLY PROVIDES OTHERWISE.

## III

THE HONORABLE JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN DISREGARDING THE FACT THAT HEREIN PETITIONERS' COMPLAINT INVOLVES SEVERAL CAUSES OF ACTION WHICH DO **NOT** ARISE **SOLELY** FROM THE "REAL ESTATE MORTGAGE" AND "PROMISSORY NOTES" AND WHICH OTHER CAUSES OF ACTION MAY BE FILED IN OTHER VENUES UNDER SECTIONS 1 AND 2 OF RULE 4 OF THE 1997 RULES OF CIVIL PROCEDURE.

## IV

THE HONORABLE JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN DISREGARDING THE PRINCIPLE THAT THE RULE ON VENUE OF ACTIONS IS ESTABLISHED FOR THE CONVENIENCE OF THE PLAINTIFFS.<sup>[3]</sup>

The main issue in the present petition is whether respondent judge committed grave abuse of discretion when she dismissed the case for improper venue.

Petitioners contend that, since the validity of the loan documents were squarely put in issue, necessarily this meant also that the validity of the venue stipulation also was at issue. Moreover, according to the petitioners, the venue stipulation in the loan documents is not an exclusive venue stipulation under Section 4(b) of Rule 4 of the 1997 Rules of Civil Procedure.<sup>[4]</sup> The venue in the loan agreement was not specified with particularity. Besides, petitioners posit, the rule on venue of action was established for the convenience of the plaintiff, herein petitioners. Further,