

SECOND DIVISION

[G.R. NO. 155736, March 31, 2005]

**SPOUSES DANILO AND CRISTINA DECENA, PETITIONERS, VS.
SPOUSES PEDRO AND VALERIA PIQUERO, RESPONDENTS.**

R E S O L U T I O N

CALLEJO, SR., J.:

The petitioners, Spouses Danilo and Cristina Decena were the owners of a parcel of land, with a house constructed thereon, located in Parañaque, Metro Manila (now Parañaque City) covered by Transfer Certificate of Title (TCT) No. 134391 issued on February 24, 1998.^[1]

On September 7, 1997, the petitioners and the respondents, the Spouses Pedro and Valeria Piquero, executed a Memorandum of Agreement (MOA)^[2] in which the former sold the property to the latter for the price of P940,250.00 payable in six (6) installments via postdated checks. The vendees forthwith took possession of the property.

It appears in the MOA that the petitioners obliged themselves to transfer the property to the respondents upon the execution of the MOA with the condition that if two of the postdated checks would be dishonored by the drawee bank, the latter would be obliged to reconvey the property to the petitioners.

On May 17, 1999, the petitioners, then residents of Malolos, Bulacan, filed a Complaint^[3] against the respondents with the Regional Trial Court (RTC) of Malolos, Bulacan, for the annulment of the sale/MOA, recovery of possession and damages. The petitioners alleged therein that, they did not transfer the property to and in the names of the respondents as vendees because the first two checks drawn and issued by them in payment for the purchase price of the property were dishonored by the drawee bank, and were not replaced with cash despite demands therefor.

The petitioners prayed that, after due proceedings, judgment be rendered in their favor, thus:

- a. The sale/Memorandum of Agreement (Annex "A," *supra*) be declared null and void, rescinded and with no further force and effect;
- b. Defendants, and all persons claiming right under them, be ordered to immediately vacate the subject property and turnover its possession to the plaintiffs;
- c. Defendants, jointly and severally, be ordered to pay the plaintiffs:
 - i. P10,000.00 – monthly, starting 01 October 1997 until complete turnover of

the subject property to the plaintiffs, as reasonable compensation for its continued unlawful use and occupation by the defendants;

ii. P200,000.00 – moral damages;

iii. P200,000.00 – exemplary damages;

iv. P250,000.00 – attorney’s fees and litigation – related expenses; and

v. the costs of suit.

Other reliefs just and equitable are, likewise, prayed for.^[4]

The petitioners declared in their complaint that the property subject of the complaint was valued at P6,900,000.00. They appended copies of the MOA and TCT No. 134391 to their complaint. The case was eventually raffled to Branch 13 of the RTC of Malolos, Bulacan.

The respondents filed a motion to dismiss the complaint on the ground, *inter alia*, of improper venue and lack of jurisdiction over the property subject matter of the action.

On the first ground, the respondents averred that the principal action of the petitioners for the rescission of the MOA, and the recovery of the possession of the property is a real action and not a personal one; hence, it should have been brought in the RTC of Parañaque City, where the property subject matter of the action was located, and not in the RTC of Malolos, Bulacan, where the petitioners resided. The respondents posited that the said court had no jurisdiction over the property subject matter of the action because it was located in Parañaque City.^[5]

In opposition, the petitioners insisted that their action for damages and attorney’s fees is a personal action and not a real action; hence, it may be filed in the RTC of Bulacan where they reside. They averred that while their second cause of action for the recovery of the possession of the property is a real action, the same may, nevertheless, be joined with the rest of their causes of action for damages, conformably with Section 5(c), Rule 2 of the Rules of Court.^[6]

By way of reply, the respondents averred that Section 5(c), Rule 2 of the Rules of Court applies only when one or more of multiple causes of action falls within the exclusive jurisdiction of the first level courts, and the other or others are within the exclusive jurisdiction of the RTC, and the venue lies therein.

On February 9, 2000, the trial court issued an Order^[7] denying the motion for lack of merit. It found merit in the petitioner’s contention that Section 5(c), Rule 2 was applicable.

Meanwhile, the case was re-raffled to Branch 10 of the RTC of Malolos, Bulacan. In a Motion^[8] dated December 20, 2000, the respondents prayed for the reconsideration of the trial court’s February 9, 2000 Order. On October 16, 2001, the court issued an Order^[9] granting the motion and ordered the dismissal of the complaint. It ruled that the principal action of the petitioners was a real action and should have been

filed in the RTC of Parañaque City where the property subject matter of the complaint was located. However, since the case was filed in the RTC of Bulacan where the petitioners reside, which court had no jurisdiction over the subject matter of the action, it must be dismissed.

Hence, the present recourse.

The petition has no merit.

The sole issue is whether or not venue was properly laid by the petitioners in the RTC of Malolos, Bulacan. The resolution of this issue is, in turn, anchored on whether Section 5, Rule 2 of the Rules of Court invoked by the petitioners is applicable in this case.

Under the said Rule, a party may, in one pleading, assert, in the alternative or otherwise, as many causes of action as he may have against an opposing party subject to the conditions therein enumerated, one of which is Section 5(c) which reads:

Sec. 5. Joinder of causes of action. -- ...

...

(c) Where the causes of action are between the same parties but pertain to different venues or jurisdiction, the joinder may be allowed in the Regional Trial Court provided one of the causes of action falls within the jurisdiction of said court and the venue lies therein; ...

Explaining the aforequoted condition, Justice Jose Y. Feria declared:

(c) Under the third condition, if one cause of action falls within the jurisdiction of the Regional Trial Court and the other falls within the jurisdiction of a Municipal Trial Court, the action should be filed in the Regional Trial Court. If the causes of action have different venues, they may be joined in any of the courts of proper venue. Hence, a real action and a personal action may be joined either in the Regional Trial Court of the place where the real property is located or where the parties reside.

[10]

A cause of action is an act or omission of one party in violation of the legal right of the other which causes the latter injury. The essential elements of a cause of action are the following: (1) the existence of a legal right of the plaintiff; (2) a correlative legal duty of the defendant to respect one's right; and (3) an act or omission of the defendant in violation of the plaintiff's right.^[11] A cause of action should not be confused with the remedies or reliefs prayed for. A cause of action is to be found in the facts alleged in the complaint and not in the prayer for relief. It is the substance and not the form that is controlling.^[12] A party may have two or more causes of action against another party.

A joinder of causes of action is the uniting of two or more demands or right of action in a complaint. The question of the joinder of causes of action involves in particular cases a preliminary inquiry as to whether two or more causes of action are alleged.