

FIRST DIVISION

[G.R. No. 136109, August 01, 2002]

**RADIO COMMUNICATIONS OF THE PHILIPPINES, INC.,
PETITIONER, VS. COURT OF APPEALS AND MANUEL DULAWON,
RESPONDENTS.**

D E C I S I O N

YNARES-SANTIAGO, J.:

This is a petition for review of the decision of the Court of Appeals^[1] in CA-G.R. SP No. 45987 dated April 30, 1998^[2] and its resolution dated October 15, 1998^[3] denying the motion for reconsideration.

On June 18, 1997, private respondent Manuel Dulawon filed with the Regional Trial Court of Tabuk, Kalinga, Branch 25, a complaint for breach of contract of lease with damages against petitioner Radio Communications of the Philippines, Inc. (RCPI). Petitioner filed a motion to dismiss the complaint for lack of jurisdiction contending that it is the Municipal Trial Court which has jurisdiction as the complaint is basically one for collection of unpaid rentals in the sum of P84,000.00, which does not exceed the jurisdictional amount of P100,000.00 for Regional Trial Courts. The trial court denied the motion to dismiss,^[4] as well as petitioner's motion for reconsideration.^[5] Hence, petitioner went to the Court of Appeals on a petition for certiorari. On April 30, 1998, the Court of Appeals dismissed the petition. The dispositive portion thereof reads:

WHEREFORE, the petition is hereby DENIED DUE COURSE and is DISMISSED. Costs against petitioner.

SO ORDERED.^[6]

The motion for reconsideration of the foregoing decision was denied on October 15, 1998. Hence, this petition.

The issue for resolution in this petition is whether or not the Regional Trial Court has jurisdiction over the complaint filed by private respondent.

Pertinent portion of Batas Pambansa Blg. 129, as amended by Republic Act No. 7691, provides:

SEC. 19. *Jurisdiction in civil cases.* – Regional Trial Courts shall exercise exclusive original jurisdiction:

(1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation;

x x x x 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).^[7]

Corollary thereto, Administrative Circular No. 09-94, states:

x x x x x x x x

2. The exclusion of the term "damages of whatever kind" in determining the jurisdictional amount under Section 19 (8) and Section 33 (1) of B.P. 129, as amended by R.A. No. 7691, applies to cases where the damages are merely incidental to or a consequence of the main cause of action. However, in cases where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court.

x x x x x x x x.

In Russell, et al., v. Vestil, et al.,^[8] the Court held that in determining whether an action is one the subject matter of which is not capable of pecuniary estimation, the nature of the principal action or remedy sought must first be ascertained. If it is primarily for the recovery of a sum of money, the claim is considered capable of pecuniary estimation, and jurisdiction over the action will depend on the amount of the claim. However, where the basic issue is something other than the right to recover a sum of money, where the money claim is purely incidental to, or a consequence of, the principal relief sought, the action is one where the subject of the litigation may not be estimated in terms of money, which is cognizable exclusively by Regional Trial Courts.

It is axiomatic that jurisdiction over the subject matter of a case is conferred by law and is determined by the allegations in the complaint and the character of the relief sought, irrespective of whether the plaintiff is entitled to all or some of the claims asserted therein.^[9]

In the case at bar, the allegations in the complaint plainly show that private respondent's cause of action is breach of contract. The pertinent portion of the complaint recites:

x x x x x x x x

2. That sometime during the end of the year 1995, defendant through its appropriate officials negotiated with plaintiff the lease of a portion of the latter's building x

x x

3. That the lease contract was effective for a period of three (3) years of from January 1, 1996 to January 1, 1998 with advance payment for the year 1996. The advance was not however given in lump sum but on installment. One check that was given in payment of one month's rental for 1996 was even stale and had to be changed only after demand;