

THIRD DIVISION

[G.R. No. 131755, October 25, 1999]

**MOVERS-BASECO INTEGRATED PORT SERVICES, INC.,
PETITIONER, VS. CYBORG LEASING CORPORATION,
RESPONDENT.**

D E C I S I O N

VITUG, J.:

The instant matter has been brought to this Court via a petition for review under Rule 45 of the Rules of Court to seek a reversal of the decision of the Regional Trial Court ("RTC") of Manila, Branch 16, in Civil Case No. 97-85267.

Cyborg Leasing Corporation ("Cyborg"), herein private respondent, filed on 22 August 1996 before the Metropolitan Trial Court ("MTC") of Manila a case, captioned "Damages with Prayer for a Writ of Replevin" (Civil Case No. 152839), against Conpac Warehousing, Inc. ("Conpac"), and herein petitioner Movers-Baseco Integrated Port Services ("movers"). The complaint alleged that pursuant to a lease agreement, Cyborg had delivered one (1) NISSAN forklift to CONPAC. The lease agreement stipulated a monthly rental of P11,000.00 for the use of the equipment from its date of delivery. Conpac supposedly failed and refused to pay the stipulated rentals starting April 1995 notwithstanding demands therefor. Sometime in May 1995, petitioner took control of the operations of Conpac and seized all cargoes and equipment including the subject forklift. Petitioner ignored Cyborg's demand for the return to it of the equipment and the formal disclaimer of ownership made by CONPAC. In its Complaint, Cyborg prayed:

"UPON RECEIPT AND BEFORE ANSWER

"That an ORDER be issued directing the Sheriff or other officer of this Court to forthwith take custody and possession of the subject equipment and to dispose it in accordance with the Rules of Court.

"AFTER TRIAL

"That judgment be rendered for the plaintiff ordering the defendants, jointly and severally, to pay the following amounts:

"(1) P11,000.00 per month as actual damages by way of reasonable compensation for the use, enjoyment and/or rental of the subject equipment from April 9, 1995 until it is repossessed by the plaintiff;

"(2) P1,000,000.00 as exemplary damages and

"(3) P50,000.00 as attorney's fees and costs.

"IN THE ALTERNATIVE

"In the event that the subject equipment could not be seized, that defendants be jointly and severally ordered to pay the plaintiff its actual market value of One Hundred Fifty Thousand Pesos (P150,000.00), Philippine Currency, exclusive of the damages under paragraphs (1), (2), and (3) stated supra.

"Plaintiff further prays for the other equitable reliefs and remedies."^[1]

Upon application of Cyborg, a writ of replevin was issued following the filing of a P300,000.00 replevin bond. The directive was contained in the court's order of 27 August 1996, viz:

"WHEREFORE, pursuant to Sections 1 to 3, Rule 60 of the Revised Rules of Court, a Writ of Replevin is hereby ordered issued requiring the Sheriff of this Court to forthwith take possession of the property specified on the face of this Order after serving a copy of this Order to defendants, together with a copy of the application, affidavit, and bond. Accordingly, the Sheriff of this Court is hereby required to comply with Sections 4 to 8 of Rule 60.

"IT IS SO ORDERED."^[2]

On 06 February 1997, petitioner was served with a copy of the summons and the writ of replevin. On 14 February 1997, petitioner filed a motion to dismiss the case on the ground of lack of jurisdiction on the part of the MTC since the complaint had asked for, among other things, the following:

(a) x x x actual market value of the equipment (par. 8 of the complaint) -	P150,000.00
(b) x x x actual damages for use of the equipment at the rate of P11,000.00 monthly from 09 April 1995 up to the time possession was taken by the plaintiff under the order of the Honorable Court (par. 9(a) of the complaint) -----	242,000.00
(c) exemplary damages -----	1,000,000.00
(d) attorney's fees -----	<u>50,000.00</u>
Total -----	P1,442,000.00.

On 18 March 1997, the MTC issued an order dismissing the complaint for lack of jurisdiction, and ratiocinating, thus -

"It is a fundamental axiom in adjective law that jurisdiction is conferred by law, and where there is none, no agreement of the parties can vest competencia (Leonor vs. Court of Appeals, 256 SCRA 69; (1996); Department of Health vs. National Labor Relations Commission, 251 SCRA 700; 707 (1995); 1 Regalado, Remedial Law Compendium, 1988 5th rev. ed., p. 9).

"Albeit the subject equipment has a market value of P150,000.00 (paragraph 8, Complaint) and while it is true that interest, damages of whatever kind, attorney's fees, litigation expenses and costs are excluded in ascertaining jurisdiction per Section 3 of Republic Act No. 7691 and are considered only to determine the filing fees, **it is equally true that if the principal request in the complaint is for damages, or one of the causes of action, the amount of such claim shall be determinative** of competencia under Supreme Court Circular No. 09-94 dated June 14, 1994.

"The amount sought to be recovered is the 'amount of the demand' (Oteng vs. Tan Kiem, Ta, 61 Phil. 87) and included in the computation of the jurisdictional amount are attorney's fees recoverable as damages (Article 2208, New Civil Code), consequential damages, exemplary damages if the amount thereof is specified in the complaint (Enerio vs. Alampay, 64 SCRA 142, and moral damages, if quantified in the complaint (Quiason, Philippines Courts and their Jurisdictions, 1986 ed., pp. 166-168).

"Hence, on the basis of the clarification of the Supreme Court, the total claims of the plaintiff are beyond the purview of this Court's jurisdiction.

"Accordingly, Civil Case No. 152839 is hereby DISMISSED for lack of jurisdiction as prayed for."^[3]

The MTC, in its order of 10 June 1997, denied Cyborg's motion for reconsideration, elaborating that it -

"x x x is not unaware of Justice Regalado's discourse in his treatise that 'replevin is available only where the principal relief sought in the action is the recovery of personal property, the other reliefs, like damages, being merely incidental thereto' (1 Regalado, Remedial Law Compendium, 1988 5th rev. ed., p. 437) which was utilized by plaintiff's counsel to secure re-evaluation of the challenged Order (page 2, Additional Arguments Relative to the Motion for Reconsideration). Yet, this Court cannot also ignore the language of Supreme Court Administrative Circular No. 09-94 dated June 14, 1994 that **if the principal supplication is for damages, or is one of the causes of action**, like in this case, the amount of such claim will spell the difference in jurisdiction between the Metropolitan Trial Court and the Regional Trial Court.

"WHEREFORE, the plaintiff's Motion for Reconsideration and plaintiff's additional arguments relative to the motion for reconsideration are hereby DENIED. Accordingly, as prayed for by defendant's counsel on May 27, 1997, Sheriff Abulencia is hereby directed to RETURN the Nissan Forklift described as Equipment No. C-201, 2 Tonner, Engine No. G1-214511 FG 25 TCM to defendant Movers-Baseco Integrated Port Services, Inc."^[4]

Cyborg did not succeed in its motion for clarificatory judgment which the court took as just a second motion for reconsideration. Then, on 26 September 1997, Cyborg filed a petition for *certiorari* and prohibition, with preliminary injunction and/or prayer for temporary restraining order, against the MTC Judge, Conpac Warehousing

and Movers, before the RTC of Manila (Civil Case No. 97-85267). This petition was opposed by Movers as being tardily filed. Still, later, an answer to this petition was filed by Movers.

On 20 October 1997, the RTC issued an order granting Cyborg's application for preliminary injunction; the court said:

"The MTC dismissed the complaint filed by petitioner Cyborg for replevin of a leased Nissan forklift by defendant Compac and later taken into custody by defendant Movers-Baseco. Upon the MTC's denial of Cyborg's motion for reconsideration, Cyborg caused the filing of the instant petition.

"In its motion to dismiss before the MTC Manila, Movers-Baseco argued that the MTC had no jurisdiction over this case because while the alleged amount of the forklift is P150,000, together with the other amounts/damages claimed, the total is beyond the MTC's jurisdiction.

"Cyborg argued that since the principal action is for replevin, the other amounts being merely incidental, as the amount of P150,000 is within the MTC jurisdiction, the latter is competent to take cognizance of the case.

"Such arguments, however, are better reserved for the adjudication on the merits of this petition. The issue now is whether there is sufficient legal ground to issue a writ of preliminary injunction to enjoin enforcement of the MTC's order dated June 10, 1997 which directed the delivery of the replevied forklift back to Movers-Baseco.

"The MTC complaint alleged that the rentals of P11,000 per month are not being paid in the interim which lease contract is dated January 5, 1995 (Record, page 35).

"It appears that Cyborg is the lessor-owner of the forklift. In the meantime, the rentals are not being paid it. As owner of the same, Cyborg has a clear right to the possession of the same during the pendency of this proceedings, the MTC having already issued a writ of replevin to gain possession of the forklift which is now in the possession of Cyborg. This status quo existing at the time this petition was filed should be maintained pending the resolution of the case, otherwise, great damage will be caused to Cyborg, the owner.

"The 1997 Rules on Civil Procedure allow the ex parte issuance of a 20-day TRO, the Rules silent as to whether a bond should cover the 20-day TRO, as it is the writ of preliminary injunction that requires the filing of an injunction bond. Hence, this Court issued a TRO until October 22, 1997 (Rule 58, Section 5), otherwise, with the rentals in the interim being unpaid, Cyborg is destined to suffer GREAT damage (not necessarily irreparable), the Rule expressly mentioning great OR irreparable injury.

"WHEREFORE, PREMISES CONSIDERED, let a writ of preliminary injunction issue against the respondents. The public and private respondents, the sheriff concerned, and any person acting for and in