

THIRD DIVISION

[G.R. No. 131283, October 07, 1999]

**OSCAR C. FERNANDEZ AND NENITA P. FERNANDEZ,
PETITIONERS, VS. THE INTERNATIONAL CORPORATE BANK,
NOW UNION BANK OF THE PHILIPPINES; AND PREMIERE
INSURANCE & SURETY CORP., RESPONDENTS.**

D E C I S I O N

PANGANIBAN, J.:

A writ of replevin issued by the Metropolitan Trial Court of Pasay City may be served and enforced anywhere in the Philippines. Moreover, the jurisdiction of a court is determined by the amount of the claim alleged in the complaint, not by the value of the chattel seized in ancillary proceedings.

The Case

Spouses Oscar C. Fernandez and Nenita P. Fernandez challenge, *via* the instant Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court, the September 4, 1997 Decision^[2] and the November 14, 1997 Resolution,^[3] both issued by the Court of Appeals^[4] in CA-GR SP No. 44409.

The assailed Decision dismissed petitioners' suit for *certiorari* and prohibition praying for the redelivery of the vehicle seized from them and for the declaration of nullity of the Writ of Replevin, which had been issued by Judge Estelita M. Paas^[5] of the Metropolitan Trial Court of Pasay City,^[6] and all other Orders subsequent thereto. The challenged Resolution, on the other hand, denied reconsideration.

The Facts

In its assailed Decision, the Court of Appeals summarized the facts as follows:

"xxx [O]n or about October 26, 1993, [petitioners] purchased a Nissan Sentra Sedan through a financing scheme of the private respondent, the International Corporate Bank, now Union Bank of the Philippines, and the chattel mortgage was executed in favor of the financing institution on November 10, 1993. As borne out by the Disclosure Statement in the credit transaction, the cash purchase price was P492,000.00, minus the downpayment of P147,500.00, leaving the amount of P344,^[5] 00.00 to be financed. The total amount to be paid for 48 monthly installments would amount to P553,944.00.

"Petitioner added that due to the respondent bank's 'greedy desire' to unjustly enrich itself at the expense of the petitioners, the former filed an unfounded complaint for a sum of money with replevin (Case No. 983-96) before the Metropolitan Trial Court, Branch 44, Pasay City.

"Considering that the principal amount involved was P553,944.00, petitioners filed an Answer mentioning in the special and affirmative defenses a Motion to Dismiss, for lack of jurisdiction, but this was denied on February 10, 1997 and was received on February 20, 1997. A Motion for Reconsideration was then submitted on April 2, 1997.

"Aside from that, petitioners contested the venue considering that the principal office of the respondent bank [was] in Makati, while their residence [was] in Quezon City.

"The Motion for Reconsideration was denied on May 9, 1997 and received by them on May 29, 1997.

"When the respondent bank filed its complaint with prayer for the issuance of a Writ of Replevin on November 28, 1997, the monthly installments were almost fully paid; [they] would have been fully paid on November 26, 1997. Furthermore, the car's mileage at the time of illegal seizure was only 28,464 kilometers. They could not have been considered in default at the time the complaint was filed, considering that: (a) they attempted many times to pay the bank their installments for the months of August, September, October, 1996, and up to the time of the filing of the case, they ha[d] not received any statement of delinquency as mandated by R.A. No. 3165, otherwise known as the Truth in Lending Act.

"If at all, petitioners added, the baseless filing of the case was deliberately done to enrich the bank at the expense of the petitioners which [was] tantamount to simple robbery. They even tried consigning the P69,168.00 through a Manager's Check dated January 7, 1997 for the months of August to February, 1997, or beyond the four months installment in advance but were similarly refused by the court for no valid reason.

"Their petition for the outright dismissal of the complaint, as well as the lifting of the Writ of Replevin was denied even if the amount of P553,344.00 representing the value of the chattel was beyond the jurisdiction of the court.

"To be precise, the February 10, 1997 Order (*Rollo*, p. 17) states:

'For consideration before this court is the Urgent Motion to Re-deliver the Chattel and the Motion to Dismiss by way of Special and Affirmative Defenses the following:

'that this Honorable Court has no jurisdiction to try the case and to issue the Writ of Replevin, for the reason that the plaintiff's office is in Makati and defendant's residence is in Quezon City and that the amount involved is P553,344.00 which is beyond the jurisdiction of this Honorable Court.

x x x

x x x

x x x

'This Court has carefully reviewed the records of this case as well as the Sheriff's Return which [show] that the subject value covered by the Writ of Replevin was seized on January 7, 1997 by the branch sheriff of this court and thereafter turned over to the plaintiff in this case.

'Under the Rules of Court, the defendant has a period of 5 days from January 7, 1997 to post a re-delivery bond, in order to secure the return of the subject vehicle and to post a counter bond double the amount of the chattel.

'In this respect, defendants failed to exercise his right.

'As to the question of jurisdiction the complaint [shows] that the amount plaintiff seeks to recover is P190,635.00, which is well within the jurisdiction of this Honorable Court. Likewise the attached Promissory Note in the Complaint also contains stipulation as to the venue agreed upon by the parties in case an action is filed in court, in which case this court has jurisdiction.

'WHEREFORE, finding the Motion to Re-deliver chattel filed by the defendant to be untenable, the same is hereby denied for lack of merit.

'The Motion to Dismiss on ground of lack of jurisdiction is likewise denied for being unmeritorious.

'SO ORDERED.'"^[7]

Ruling of the Court of Appeals

The Court of Appeals ruled that the Metropolitan Trial Court (MTC) of Pasay City had jurisdiction over civil cases in which the amount of the demand did not exceed P200,000 exclusive of interest, damages and attorney's fees. The basic claim in the present case was P190,635.90; hence, the MTC had jurisdiction.

The appellate court further held that the objection to the impropriety of the venue should have been raised in a motion to dismiss before the filing of a responsive pleading. The said issue, however, was raised for the first time only in petitioners' Answer.

Lastly, the Court of Appeals agreed with the MTC that the Writ of Replevin could be validly executed anywhere in Metro Manila because Section 27, Chapter III of B.P. 129, authorized the establishment of the Metropolitan Trial Court of Metro Manila with eighty-two (82) branches. Therefore, any branch – in this case, Branch 44 which was stationed in Pasay -- could issue writs and processes that could validly be served and executed anywhere within Metro Manila.

Aggrieved, petitioners now seek the reversal of the foregoing rulings through this recourse.^[8]

Issues

In their Memorandum, petitioners present the following issues:

"1. The jurisdiction of the Metropolitan Trial Court of Pasay City is strictly limited within the confines of the boundary limits of Pasay City, B.P. 129, Sec. 28.

2. The Metropolitan Trial Court's jurisdiction is limited to not more than two hundred thousand pesos.

3. Assuming that the Metropolitan Trial Court of Pasay City has jurisdiction to try and decide the case and to issue the ancillary writ of replevin, the Court of Appeals grievously erred in sanctioning the order of [the] Metropolitan Trial Court of Pasay City in denying Petitioners['] Motion for Redelivery of the vehicle which was filed within five days after such seizure, which in essence [was] an outright departure from the express provision of the law and the settled jurisprudence on the matter.

4. The bank's Memorandum dated July 5, 1999 should be stricken off and ordered expunged from the records for being fatally defective in form and substance. No Annexes to said Memorandum were attached to petitioners' copy, thereby making said memorandum fatally defective because the annexes [were] integral part[s] of the memorandum itself. Up to this late date, respondent Premiere Insurance and Surety Corporation has not submitted its memorandum and may now therefore be deemed to have admitted the entire text of the Petition to be true, valid and binding against it."

To resolve this case, this Court shall dispose of the following questions: (1) May the Writ of Replevin issued by the MTC of Pasay City be enforced outside the city? (2) Did the MTC have jurisdiction over the Complaint? (3) Were petitioners entitled to the redelivery of the subject vehicle?

This Court's Ruling

The Petition has no merit.

First Issue: *Territorial Enforcement of the Writ of Replevin*

Petitioners argue that the Writ of Replevin issued by the Metropolitan Trial Court of Pasay could be enforced only within the confines of Pasay City. In support, they cite Section 28 of Batas Pambansa (BP) 129, which states:

"SEC. 28. *Other Metropolitan Trial Courts.* --- The Supreme Court shall constitute Metropolitan Trial Courts in such other metropolitan areas as may be established by law whose territorial jurisdiction shall be co-extensive with the cities and municipalities comprising the metropolitan area.

Every Metropolitan Trial Judge shall be appointed to a metropolitan area which shall be his permanent station and his appointment shall state the branch of the court and the seat thereof to which he shall be originally assigned. A Metropolitan Trial Judge may be assigned by the Supreme Court to any branch within said metropolitan area as the interest of justice may require, and such assignment shall not be deemed an assignment to another station within the meaning of this section."^[9]

We are not convinced. Under the Resolution of the Supreme Court *en banc*, dated January 11, 1983, providing for the interim rules and guidelines relative to the implementation of BP 129, a writ of replevin like the one issued in the present case may be served anywhere in the Philippines. Specifically, the said Resolution states:

"3. Writs and processes. ---