

## FIRST DIVISION

[ G.R. No. 173915, February 22, 2010 ]

**IRENE SANTE AND REYNALDO SANTE, PETITIONERS, VS. HON. EDILBERTO T. CLARAVALL, IN HIS CAPACITY AS PRESIDING JUDGE OF BRANCH 60, REGIONAL TRIAL COURT OF BAGUIO CITY, AND VITA N. KALASHIAN, RESPONDENTS.**

### D E C I S I O N

**VILLARAMA, JR., J.:**

Before this Court is a petition for certiorari [1] under Rule 65 of the 1997 Rules of Civil Procedure, as amended, filed by petitioners Irene and Reynaldo Sante assailing the Decision [2] dated January 31, 2006 and the Resolution [3] dated June 23, 2006 of the Seventeenth Division of the Court of Appeals in CA-G.R. SP No. 87563. The assailed decision affirmed the orders of the Regional Trial Court (RTC) of Baguio City, Branch 60, denying their motion to dismiss the complaint for damages filed by respondent Vita Kalashian against them.

The facts, culled from the records, are as follows:

On April 5, 2004, respondent filed before the RTC of Baguio City a complaint for damages [4] against petitioners. In her complaint, docketed as Civil Case No. 5794-R, respondent alleged that while she was inside the Police Station of Natividad, Pangasinan, and in the presence of other persons and police officers, petitioner Irene Sante uttered words, which when translated in English are as follows, "*How many rounds of sex did you have last night with your boss, Bert? You fuckin' bitch!*" Bert refers to Albert Gacusan, respondent's friend and one (1) of her hired personal security guards detained at the said station and who is a suspect in the killing of petitioners' close relative. Petitioners also allegedly went around Natividad, Pangasinan telling people that she is protecting and cuddling the suspects in the aforesaid killing. Thus, respondent prayed that petitioners be held liable to pay moral damages in the amount of P300,000.00; P50,000.00 as exemplary damages; P50,000.00 attorney's fees; P20,000.00 litigation expenses; and costs of suit.

Petitioners filed a Motion to Dismiss [5] on the ground that it was the Municipal Trial Court in Cities (MTCC) and not the RTC of Baguio, that had jurisdiction over the case. They argued that the amount of the claim for moral damages was not more than the jurisdictional amount of P300,000.00, because the claim for exemplary damages should be excluded in computing the total claim.

On June 24, 2004, [6] the trial court denied the motion to dismiss citing our ruling in *Movers-Baseco Integrated Port Services, Inc. v. Cyborg Leasing Corporation*. [7] The trial court held that the total claim of respondent amounted to P420,000.00 which was above the jurisdictional amount for MTCCs outside Metro Manila. The trial court

also later issued Orders on July 7, 2004 [8] and July 19, 2004, [9] respectively reiterating its denial of the motion to dismiss and denying petitioners' motion for reconsideration.

Aggrieved, petitioners filed on August 2, 2004, a Petition for Certiorari and Prohibition, [10] docketed as **CA-G.R. SP No. 85465**, before the Court of Appeals. Meanwhile, on July 14, 2004, respondent and her husband filed an Amended Complaint [11] increasing the claim for moral damages from P300,000.00 to P1,000,000.00. Petitioners filed a Motion to Dismiss with Answer *Ad Cautelam* and Counterclaim, but the trial court denied their motion in an Order [12] dated September 17, 2004.

Hence, petitioners again filed a Petition for Certiorari and Prohibition [13] before the Court of Appeals, docketed as **CA-G.R. SP No. 87563**, claiming that the trial court committed grave abuse of discretion in allowing the amendment of the complaint to increase the amount of moral damages from P300,000.00 to P1,000,000.00. The case was raffled to the Seventeenth Division of the Court of Appeals.

On January 23, 2006, the Court of Appeals, Seventh Division, promulgated a decision in CA-G.R. SP No. 85465, as follows:

WHEREFORE, finding grave abuse of discretion on the part of [the] Regional Trial Court of Baguio, Branch 60, in rendering the assailed Orders dated June 24, 2004 and July [19], 2004 in Civil Case No. 5794-R the instant petition for certiorari is GRANTED. The assailed Orders are hereby ANNULLED and SET ASIDE. Civil Case No. 5794-R for damages is ordered DISMISSED for lack of jurisdiction.

SO ORDERED. [14]

The Court of Appeals held that the case clearly falls under the jurisdiction of the MTCC as the allegations show that plaintiff was seeking to recover moral damages in the amount of P300,000.00, which amount was well within the jurisdictional amount of the MTCC. The Court of Appeals added that the totality of claim rule used for determining which court had jurisdiction could not be applied to the instant case because plaintiff's claim for exemplary damages was not a separate and distinct cause of action from her claim of moral damages, but merely incidental to it. Thus, the prayer for exemplary damages should be excluded in computing the total amount of the claim.

On January 31, 2006, the Court of Appeals, this time in CA-G.R. SP No. 87563, rendered a decision affirming the September 17, 2004 Order of the RTC denying petitioners' Motion to Dismiss *Ad Cautelam*. In the said decision, the appellate court held that the total or aggregate amount demanded in the complaint constitutes the basis of jurisdiction. The Court of Appeals did not find merit in petitioners' posture that the claims for exemplary damages and attorney's fees are merely incidental to the main cause and should not be included in the computation of the total claim.

The Court of Appeals additionally ruled that respondent can amend her complaint by

increasing the amount of moral damages from P300,000.00 to P1,000,000.00, on the ground that the trial court has jurisdiction over the original complaint and respondent is entitled to amend her complaint as a matter of right under the Rules.

Unable to accept the decision, petitioners are now before us raising the following issues:

I.

WHETHER OR NOT THERE WAS GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION ON THE PART OF THE (FORMER) SEVENTEENTH DIVISION OF THE HONORABLE COURT OF APPEALS WHEN IT RESOLVED THAT THE REGIONAL TRIAL COURT OF BAGUIO CITY BRANCH 60 HAS JURISDICTION OVER THE SUBJECT MATTER OF THE CASE FOR DAMAGES AMOUNTING TO P300,000.00;

II.

WHETHER OR NOT THERE WAS GRAVE ABUSE OF DISCRETION ON THE PART OF THE HONORABLE RESPONDENT JUDGE OF THE REGIONAL TRIAL COURT OF BAGUIO BRANCH 60 FOR ALLOWING THE COMPLAINANT TO AMEND THE COMPLAINT (INCREASING THE AMOUNT OF DAMAGES TO 1,000,000.00 TO CONFER JURISDICTION OVER THE SUBJECT MATTER OF THE CASE DESPITE THE PENDENCY OF A PETITION FOR CERTIORARI FILED AT THE COURT OF APPEALS, SEVENTH DIVISION, DOCKETED AS CA G.R. NO. 85465. [15]

In essence, the basic issues for our resolution are:

- 1) Did the RTC acquire jurisdiction over the case? and
- 2) Did the RTC commit grave abuse of discretion in allowing the amendment of the complaint?

Petitioners insist that the complaint falls under the exclusive jurisdiction of the MTCC. They maintain that the claim for moral damages, in the amount of P300,000.00 in the original complaint, is the main action. The exemplary damages being discretionary should not be included in the computation of the jurisdictional amount. And having no jurisdiction over the subject matter of the case, the RTC acted with grave abuse of discretion when it allowed the amendment of the complaint to increase the claim for moral damages in order to confer jurisdiction.

In her Comment, [16] respondent averred that the nature of her complaint is for recovery of damages. As such, the totality of the claim for damages, including the exemplary damages as well as the other damages alleged and prayed in the complaint, such as attorney's fees and litigation expenses, should be included in determining jurisdiction. The total claim being P420,000.00, the RTC has jurisdiction over the complaint.

We deny the petition, which although denominated as a petition for certiorari, we