

SECOND DIVISION

[G.R. NO. 146744, March 06, 2006]

**ROBERT G. DE GALICIA, PETITIONER, VS. MELY MERCADO,
RESPONDENT**

D E C I S I O N

CORONA, J.:

Petitioner Robert G. de Galicia was a business partner in RCL Enterprises. On or about December 15, 1997, he was asked by his partner Carmen Arciaga to co-sign with her a Philbank check for P50,000 payable to cash. Allegedly without his knowledge and consent, Arciaga rediscounted the check with respondent Mely Mercado at 8% interest. Respondent gave Arciaga the sum of P46,000, representing the value of the check less 8% as interest.

Later, respondent presented the check for payment but it was dishonored for insufficiency of funds. She then filed a complaint for estafa and for violation of *Batas Pambansa Blg. (BP) 22*^[1] against petitioner and Carmen Arciaga. Petitioner countered by filing in the Regional Trial Court (RTC) of Manila, Branch 32, a case for the declaration of nullity of the agreement to pay interest between respondent and his partner, Arciaga. He prayed that the agreement, together with the rediscounted check, be declared void for being contrary to public policy.

After trial, the RTC, in an order dated November 21, 2000, dismissed petitioner's case for lack of jurisdiction. In another order dated January 15, 2001, it also denied his motion for reconsideration. Treating the complaint as one for recovery of a sum of money, the trial court ruled:

Even granting in *arguendo*, that the action seeks to have the agreement (?) between defendant Mely Mercado and one Carmen Arciaga with respect to the payment of interest to be declared null and void, this Court is in a quandary because one of the parties (Carmen Arciaga) in the so-called agreement is not a party to the present case.

Also, even considering and computing the interest rate at 8% or 5%, it is still within the rate of P50,000 and way below the jurisdictional amount vested in the Regional Trial Court.

The present action is treated by this Court as one for the recovery of sum of money, construing the same from the facts alleged in the complaint xxx with the present action/complaint having no title of the action.

A reading of the instant case indicates that the principal relief sought is for the declaration of the subject check in the amount of P50,000 a nullity. Hence, capable of pecuniary estimation, the so-called agreement

merely an incident thereto.

After going over the entire record of this case, and further considering that every court has the power to review and amend... its findings and conclusions, this Court finds no reversible error to reconsider its assailed order (dated November 21, 2000).

WHEREFORE, the assailed Order (supra) [D]ismissing this case, [S]tands. The Motion for Reconsideration, for lack of merit, is hereby DENIED.^[2]

Via this petition for review under Rule 45 of the 1997 Rules of Civil Procedure, on a pure question of law, petitioner assigns this error to the abovementioned order:

THE TRIAL COURT ERRED IN DISMISSING THE COMPLAINT FOR LACK OF JURISDICTION OVER ITS SUBJECT MATTER SIMPLY BECAUSE THE AMOUNT INVOLVED [WAS] ONLY P50,000.00.^[3]

In his memorandum,^[4] petitioner insisted that the complaint for declaration of nullity of the agreement between respondent and Arciaga was within the jurisdiction of the RTC. According to petitioner, the subject matter of the complaint was not for the recovery of a sum of money but for the nullification of the agreement to pay interest, with a prayer to also nullify the check, in which case the action was not capable of pecuniary estimation. He argued that it was error for the trial court to dismiss the complaint on the basis merely that the amount involved was P50,000.

Respondent, however, contends that the dismissal by the RTC of the complaint was warranted since the action essentially involved the nullification of the check amounting to P50,000. She insisted that the amount was outside the RTC's jurisdiction, thus, it could not possibly take cognizance of the case. Respondent added that the RTC did not err in dismissing the complaint because Arciaga, as an indispensable party, was not impleaded.

Under BP 129,^[5] the RTC shall exercise exclusive jurisdiction on the following actions:

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

(2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involve[d] exceeds Twenty [T]housand [P]esos (P20,000.00) or for civil actions in Metro Manila, where such value exceeds Fifty [T]housand [P]esos (P50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts.

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In determining whether or not the subject matter of an action is capable of pecuniary estimation, the Court, in the early case of *Singsong v. Isabella Sawmill*,^[6] laid down the following criterion: