

## FIRST DIVISION

[ G.R. No. 123871, August 31, 1998 ]

**ALLIED BANKING CORPORATION, PETITIONER, VS. COURT OF  
APPEALS AND BANK OF THE PHILIPPINE ISLANDS, INC.,  
RESPONDENTS.**

### D E C I S I O N

**PANGANIBAN, J.:**

As a general rule, a trial court that has established jurisdiction over the main action also acquires jurisdiction over a third-party complaint, even if it could not have done so had the latter been filed as an independent action. This rule, however, does not apply to banks that have agreed to submit their disputes over check clearings to arbitration under the rules of the Philippine Clearing House Corporation. In that event, primary recourse should be to the PCHC Arbitration Committee, without prejudice to an appeal to the trial courts. In other words, without first resorting to the PCHC, the third-party complaint would be premature.

#### The Case

Before us is a petition for review on certiorari under Rule 45, assailing the Decision dated February 12, 1996 promulgated by the Court of Appeals<sup>[1]</sup> in CA-GR CV No. 44804; which affirmed the trial court's Order dated September 16, 1991, dismissing petitioner's third-party complaint against private respondent.<sup>[2]</sup>

#### Facts of the Case

The facts are undisputed. Reproduced hereunder is Respondent Court's narration:

"Hyatt Terraces Baguio issued two crossed checks drawn against Allied Banking Corp. (hereinafter, ALLIED) in favor of appellee Meszellen Commodities Services, Inc. (hereinafter, MESZELLEN). Said checks were deposited on August 5, 1980 and August 18, 1980, respectively, with the now defunct Commercial Bank and Trust Company (hereinafter, COMTRUST). Upon receipt of the above checks, COMTRUST stamped at the back thereof the warranty "All prior endorsements and/or lack of endorsements guaranteed." After the checks were cleared through the Philippine Clearing House Corporation (hereinafter, PCHC), ALLIED BANK paid the proceeds of said checks to COMTRUST as the collecting bank.

"On March 17, 1981, the payee, MESZELLEN, sued the drawee, ALLIED BANK, for damages which it allegedly suffered when the value[s] of the checks were paid not to it but to some other person.

"Almost ten years later, or on January 10, 1991, before defendant ALLIED BANK could finish presenting its evidence, it filed a third party complaint against Bank of the Philippine Islands (hereinafter, BPI, appellee herein)

as successor-in-interest of COMTRUST, for reimbursement in the event that it would be adjudged liable in the main case to pay plaintiff, MESZELLEN. The third party complaint was admitted [in] an Order dated May 16, 1991 issued by the Regional Trial Court of Pasig, Branch 162. On July 16, 1991, BPI filed a motion to dismiss said third party complaint grounded on the following: 1) that the court ha[d] no jurisdiction over the nature of the action; and 2) that the cause of action of the third party plaintiff ha[d] already prescribed.

"On September 16, 1991, the trial court issued an order dismissing the third party complaint. Defendant-third party plaintiff's motion for reconsideration of this order was subsequently denied."<sup>[3]</sup>

#### Respondent Court's Ruling

Respondent Court affirmed the trial court thus:

"x x x Appellant's submission that the cause of action of the third party plaintiff against the third party defendant accrued only when the complaint in the original case was filed on March 17, 1981 is untenable. As earlier discussed, the defendant has a separate cause of action (in respect of plaintiff's complaint) against a third party in the original and principal case. Reviewing the third-party complaint below, that cause of action is the supposed erroneous endorsement made by COMTRUST for which ALLIED BANK is being held liable for damages by the payee-appellee. Without COMTRUST's warranties as a general endorser, ALLIED BANK allegedly would not have paid on the checks. Should such warranties prove to be false and inaccurate, COMTRUST may be held liable for any damage arising out of the falsity of its representation.

"Based on the records the subject endorsement of COMTRUST was made in August 1980[;] and in the same period, ALLIED BANK paid on the subject checks. From that moment, ALLIED BANK could have instituted an action against COMTRUST. It is the legal possibility of bringing the action which determines the starting point for the computation of the period (Tolentino, Civil Code of the Philippines, Vol. IV, p. 41, citing Manresa). This is the moment when a cause of action may be deemed to accrue. Thus, considering that the third party complaint was filed more than ten years from August 1980, specifically on January 10, 1991, the same can no longer be entertained.

"Even granting arguendo that the lower court had jurisdiction over the third party complaint and the cause of action thereof had not yet prescribed, the filing of the third party complaint should nevertheless be disallowed considering that defendant has already presented several witnesses and is about ready to rest its case because, then, the allowance of the third party complaint would only delay the resolution of the original case. (Firestone Tire and Rubber Co. of the Phil. vs. Tempengko, supra, p. 423).

"A final word. We have noted the curious situation here where, instead of the payee suing its bank, i.e., the collecting bank (which is COMTRUST),

it opted to sue the drawee bank (ALLIED BANK). It is, however, up to the trial court to rule on the propriety of the latter complaint.”<sup>[4]</sup>

Not satisfied with the above ruling, petitioner filed the present petition before this Court.<sup>[5]</sup>

### The Issues

Petitioner raises the following issues:<sup>[6]</sup>

“I. The Respondent Honorable Court of Appeals erred in holding that the cause of action of the third-party complaint ha[d] already prescribed.

“II. The Respondent Honorable Court of Appeals erred in holding that the filing of the third party complaint should be disallowed as it would only delay the resolution of the case.”

On the other hand, private respondent argues that the trial court had no authority to admit a third-party claim that was filed by one bank against another and involved a check cleared through the Philippine Clearing House Corporation (PCHC). To the mind of the Court, this is the critical issue.

### The Court’s Ruling

The petition is bereft of merit.

Critical Issue: *Mandatory Recourse to PCHC*

To buttress its claim, private respondent contends that petitioner’s remedy rests with the PCHC, of which both Allied and BPI are members, in consonance with the Clearing House Rules and Regulations which, in part, states:

“Sec. 38 - Arbitration

Any dispute or controversy between two or more clearing participants involving any check/item cleared thru PCHC shall be submitted to the Arbitration Committee, upon written complaint of any involved participant by filing the same with the PCHC serving the same upon the other party or parties, who shall within fifteen (15) days after receipt thereof file with the Arbitration Committee its written answer to such written complaint and also within the same period serve the same upon the complaining participant, xxx.”

Private respondent cites *Banco de Oro Savings and Mortgage Bank v. Equitable Banking Corporation*<sup>[7]</sup> and *Associated Bank v. Court of Appeals*,<sup>[8]</sup> which upheld the right of the PCHC to settle and adjudicate disputes between member banks. In *Banco de Oro*, the Court ruled:

“The participation of the two banks, petitioner and private respondent, in the clearing operations of PCHC is a manifestation of their submission to its jurisdiction. Secs. 3 and 36.6 of the PCHC-CHRR clearing rules and regulations provide:

Sec. 3. AGREEMENT TO THESE RULES. - It is the general agreement and understanding that any participant in the Philippine Clearing House Corporation,