

THIRTEENTH DIVISION

[CA-G.R. CV NO. 99282, May 29, 2014]

BANKARD, INC., PLAINTIFF-APPELLANT, VS. PATTY V. PARUNGAO, DEFENDANT-APPELLEE.

D E C I S I O N

DIMAAMPAO, J.:

Brought to Us for review *via* this instant *Appeal* is the *Order*^[1] dated 22 May 2012 of the Regional Trial Court of Pasig City, Branch 166, dismissing the *Complaint for a Sum of Money*^[2] for lack of jurisdiction, in Civil Case No. 73425.

The precursor facts of the case are uncomplicated.

Defendant-appellee Patty Parungao (Parungao) applied for and was granted credit accommodations by plaintiff-appellant Bankard, Inc. (Bankard). Thereafter, Bankard issued Parungao a Bankard Visa Gold credit card numbered 4293-8207-9028-6008.

After receipt of the credit card, Parungao availed of the credit accommodations under it by purchasing various products. Bankard ensuingly sent monthly *Statements of Account*^[3] to Parungao informing her of her obligation. However, demands for payment of her obligation were left unheeded. Ergo, Bankard imposed penalties and other charges therefor. It was constrained to engage the services of a counsel who sent Parungao a demand letter.^[4] All the same, such demand fell on deaf ears. Ineludibly, Bankard filed a *Complaint* setting forth the following claims, *viz*:

- "1. P416,940.14 plus interest until fully paid;
2. Attorney's fees equivalent to 25% of the sum due;
3. the Costs of suit."^[5]

In the challenged *Order*, the court *a quo* dismissed Bankard's *Complaint*, ratiocinating in this wise:

"Record shows that the principal claim of the plaintiff in this case is in the amount of Php419,940.14. However, after a careful study of the statements of account attached as evidence in support of its claim, the actual purchases made by the defendant is only in the amount of **Php345,680.76**.

Pursuant to Sec. 19 of B.P. Blg. 129, the Court has no jurisdiction to try and decide the case."^[6]

Bankard moved for the reconsideration^[7] of the foregoing Order, but its plea was denied for lack of merit.^[8]

Unperturbed, Bankard (now, appellant) turns to Us through the instant Appeal asseverating that—

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 166, PASIG CITY COMMITTED REVERSIBLE ERROR IN DISMISSING THE COMPLAINT FOR LACK OF JURIS-DICTION.

The Appeal is meritorious.

In finding no merit in appellant's *Motion for Reconsideration* of the assailed Order, the court *a quo* propounded the following discourse—

“In its motion, (appellant) moves for reconsideration of the Court's order dismissing the case for lack of jurisdiction. It averred that the impugned Order is inconsistent with existing jurisprudence, particularly the case of *Elmer Gomez vs. Ma. Lita Montalban* (G.R. No. 174414, May 14, 2008).

In resolving the instant motion, the Court reviewed the case cited by the plaintiff and it was observed by this Court that the case cited is inapplicable to the instant case. The Honorable Supreme Court in the said case held that:

'The Court gleans from the foregoing that petitioner's cause of action is the respondent's violation of their loan agreement. In that loan agreement, respondent expressly agreed to pay the principal amount of the loan, plus 15% monthly interest. Consequently, petitioner is claiming and praying for in his Complaint the total amount of P238,000.00, already inclusive of the interest on the loan which had accrued from 1998. Since the interest on the loan is a primary and inseparable component of the cause of action, not merely incidental thereto, and already determinable at the time of filing of the Complaint, it must be included in the determination of which court has the jurisdiction over petitioner's case. Using as basis the P238,000.00 amount being claimed by petitioner from respondent for payment of the principal loan and interest, this Court finds that it is well within the jurisdictional amount fixed by law for RTC's.' (Underscoring provided)

This Court opines that the instant complaint is inapposite from the case relied upon by the (appellant). In saying that the Regional Trial Court has jurisdiction, the Honorable Supreme Court's basis in the said case is defendant's violation of the loan agreement and not solely the amount claimed in the complaint.

Further, in a number of cases [starting with *Medel v. Court of Appeals*, G.R. No. 131622, November 27, 1998, 299 SCRA 481; *Development Bank of the Philippines v. Court of Appeals*, G.R. No. 137557, October 30, 2000, 334 SCRA 492; *Ruiz v. Court of Appeals*, G.R. No. 146942, April 22, 2003, 401 SCRA 410; *Imperial v. Jaucian*, G.R. No. 149004, April 14, 2004, 427 SCRA 517; *Carp0 v. Chua*, G.R. Nos. 150773 & 153599,

September 30, 2005], [the Honorable Supreme Court] equitably reduced the interest rate agreed upon by the parties for being iniquitous, unconscionable, and/or exorbitant (sic). Hence, it cannot be said that the amount of interest being claimed by the (appellant) is already determinable at this point in time. Interest to be awarded may be increased or reduced by the Court pursuant to the long line of cases enumerated earlier.

Here, (appellant's) interest rate is 3.50% per month, or 42% per annum, which this Court finds to be iniquitous, unconscionable, and/or exorbitant, and which should be reduced.

Under the circumstances, what is controlling is Section 19(8) of B.P. Blg. 129, otherwise known as The Judiciary Reorganization Act of 1980, as amended by R.A. No. 7691. It provides that:

'Regional Trial Courts shall exercise exclusive original jurisdiction: xxx (8) In all other cases in which demand, **exclusive** of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs or the value of the property in controversy exceeds xxx, in such other cases in Metro Manila, xxx Four hundred thousand pesos (P400,000.00).'

The afore-quoted provision expressly provides that interest, damages of whatever kind, attorney's fees, litigation expenses, and cost are excluded as basis in determining jurisdiction of courts. Thus, plaintiff's Motion for Reconsideration should fail."^[9]

We beg to differ.

Au fond, to determine which court has jurisdiction over the action, it is imperative that We probe into the averments of the *Complaint*. It is primal that jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise state-ment of the ultimate facts constituting the plaintiff's cause of action. **The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. The averments in the complaint and the character of the relief sought are the ones to be consulted. Once vested by the allegations in the complaint, jurisdiction also remains vested irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.**^[10]

For guidance, We turn to Section 19 of *Batas Pambansa Blg. 129*^[11] which states:

"**SEC. 19. Jurisdiction in Civil Cases.** — Regional Trial Courts shall exercise exclusive original jurisdiction:

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(8) In all other cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs