

SUPREME COURT OF THE PHILIPPINES  
PUBLIC INFORMATION OFFICE  
**RECEIVED**  
JAN 21 2020  
BY: 7SA  
TIME: 3:14 PM



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

**PARK DEVELOPERS,  
INCORPORATED, REYNALDO  
JESUS B. PASCO, SR.,  
ROLANDO GOLLA, NENITA B.  
PASCO, JULITO CAPARAS,  
TERESA CAPARAS AND  
CONSTANCIO BERNARDO,**  
*Petitioners,*

**G.R. No. 211301**

Present:

PERLAS-BERNABE, J.,  
*Chairperson,*  
REYES, A., JR.,  
HERNANDO,  
INTING, and  
ZALAMEDA\*, JJ.

- versus -

**ELIZABETH D. DACLAN,**  
*Respondent.*

Promulgated:

**27 NOV 2019**

X-----X

**DECISION**

**INTING, J.:**

Before this Court is a Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court seeking to set aside the Court of Appeals (CA) Decision<sup>2</sup> dated August 12, 2013 and Resolution<sup>3</sup> dated February 10, 2014 in CA-G.R. CV No. 97454. The assailed Decision dismissed, pursuant to Section 2, Rule 50 of the Rules of Court, the appeal filed by Park Developers, Inc. (PDI), Reynaldo Jesus B. Pasco, Sr., Rolando Golla, Nenita B. Pasco, Julito Caparas, Teresa Caparas, and Constancio

<sup>0</sup> Designated additional member per Special Order No. 2724 dated October 25, 2019.

<sup>1</sup> *Rollo*, pp. 7-15.

<sup>2</sup> *Id.* at 17-21; penned by Associate Justice Sesinando E. Villon with Associate Justices Florito S. Macalino and Pedro B. Corales, concurring.

<sup>3</sup> *Id.* at 22.

Bernardo (petitioners) from the Decision<sup>4</sup> dated March 31, 2011 of Branch 67, Regional Trial Court (RTC), Pasig City in Civil Case No. 70647. The assailed Resolution, on the other hand, denied for lack of merit petitioners' subsequent Motion for Reconsideration.

### *The Antecedents*

The factual and procedural antecedents of this case, as summarized by the CA, are as follows:

On September 24, 2003, [respondent] Elizabeth D. Daclan, through a document denominated as Application for Continual Use, purchased from [petitioner] Park Developers Incorporated ("PDI" for brevity) a family estate memorial lot located at Sanctuary Memorial Park ("Sanctuary" for brevity), Barangay Timalan, Naic, Cavite. The total contract price is ₱708,000.00, payable in thirty-six monthly installments. At the time of the institution of the instant case, [respondent] had already paid PDI a total amount of ₱457,760.74.

However, sometime in 2005, [respondent] learned that, as certified by the Housing and Land Use Regulatory Board (HLURB), it had never issued any Certificate of Registration or License to Sell in favor of PDI. Thus, on January 13, 2006, [respondent] filed the instant case [for Annulment of Contract with Damages] against PDI and its corporate officers, Reynaldo Jesus B. Pasco, Sr., Rolando G. Golla, Nenita B. Pasco, Julito P. Caparas, Teresa B. Caparas, and Constancio R. Bernardo.

On March 31, 2011, the RTC rendered judgment against [petitioners], disposing as follows:

"WHEREFORE, in view of all the foregoing, the Court resolved as follows, to wit:

- a. Annuling the agreement denominated as 'application for continual use' entered into between [respondent] and [petitioners] and ordering the latter, jointly and solidarily, to return to the [respondent] all payments made by her in the total amount of Four Hundred Fifty Seven Thousand Seven Hundred Sixty and 74/100 (Php457,760.74), plus legal interest

<sup>4</sup> CA rollo, pp. 18-26; penned by Judge Amorfinia Cerrado-Cezar.

computed from the time [petitioners] failed to return said amount despite valid demand;

b. Ordering [petitioners], jointly and solidarily, to pay [respondent] moral damages in the amount of Fifty Thousand Pesos (Php50,000.00);

c. Ordering [petitioners], jointly and solidarily, to pay [respondent] Fifty Thousand Pesos (Php50,000.00) exemplary damages;

d. Ordering [petitioners], jointly and solidarily, to pay attorney's fees in the amount of One Hundred Thousand Pesos (Php100,000.00).

On the other hand, the compulsory counterclaim of [respondent] is DENIED for lack of merit.

SO ORDERED.<sup>5</sup> (Citations omitted.)

Unsatisfied with the RTC's ruling, petitioners interposed an appeal in accordance with Section 2(a), Rule 41 of the Rules of Court which was given due course in the RTC Order<sup>6</sup> dated July 11, 2011.

In their Appellant[s'] Brief,<sup>7</sup> petitioners imputed a lone error:

THE LOWER COURT PATENTLY ERRED IN RENDERING THE APPEALED DECISION DESPITE LACK OF JURISDICTION.<sup>8</sup>

According to petitioners, it is the HLURB and not the RTC which has primary jurisdiction over the subject matter of the case filed by respondent.

#### *The CA's Ruling*

On August 12, 2013, the CA rendered the now assailed Decision<sup>9</sup> dismissing petitioners' appeal. It ruled that since petitioners' appeal

<sup>5</sup> *Rollo*, pp. 17-18.

<sup>6</sup> *CA rollo*, p. 17.

<sup>7</sup> *Id.* at 31-38.

<sup>8</sup> *Id.* at 35.

<sup>9</sup> *Rollo*, pp. 17-21.

raised no question other than the issue of jurisdiction, they should have taken their appeal directly to this Court by filing a petition for review on *certiorari* under Rule 45 of the Rules of Court and not an ordinary appeal with the CA under Rule 41 of the same Rules.

The dispositive portion of the CA's Decision reads:

**WHEREFORE**, in light of all the foregoing, the appeal is hereby **DISMISSED** pursuant to Rule 50, Section 2 of the 1997 Rules of Civil Procedure.

**SO ORDERED.**<sup>10</sup>

Petitioners filed a Motion for Reconsideration.<sup>11</sup> In the assailed February 10, 2014, Resolution,<sup>12</sup> the CA denied their motion.

Hence, this petition.

#### *The Issue*

Petitioners argue that the CA erred in dismissing their appeal for raising a pure question of law without first passing judgment on whether the HLURB has primary jurisdiction over the subject matter of the case. They assert that they were only constrained to raise the sole issue of jurisdiction considering that the judgment of the RTC is void. Petitioners thus beseech this Court to now "decide the novel issue of jurisdiction over action to annul contracts for the purchase or continual use of memorial lots."<sup>13</sup>

#### *The Court's Ruling*

The appeal lacks merit.

<sup>10</sup> *Id.* at 21.

<sup>11</sup> *CA rollo*, pp. 92-93.

<sup>12</sup> *Rollo*, p. 22.

<sup>13</sup> *Id.* at 11.

*I. The CA was correct in dismissing petitioners' appeal pursuant to Section 2, Rule 50 of the Rules of Court; however, for the sake of justice and equity, the relaxation of the rules of procedure is warranted in this case.*

At the outset, the CA's finding that petitioners solely anchored their appeal on a purely legal question deserves respect from this Court.<sup>14</sup> In their appeal before the CA, petitioners raised the sole issue of whether the trial court was vested with jurisdiction to hear and try the case filed by respondent. In the present petition, they also readily admit that they "assigned as error only the validity of the appealed Decision of the lower court for lack of jurisdiction of the RTC over the present case for rescission of the 'Application for Continual Use', x x x."<sup>15</sup>

Under the Rules of Court, there are two modes of appeal from a decision or final order of the trial court in the exercise of its original jurisdiction: (1) by writ of error under Section 2(a), Rule 41 if questions of fact or questions of fact and law are raised or involved; or (2) appeal by *certiorari* under Section 2(c), Rule 41, in relation to Rule 45, where only questions of law are raised or involved.<sup>16</sup> This is glaringly clear from the provisions of Section 2, Rule 41, *viz.*:

Sec. 2. Modes of appeal. –

(a) *Ordinary appeal.* – The appeal to the Court of Appeals in cases decided by the Regional Trial Court in the exercise of its original jurisdiction shall be taken by filing a notice of appeal with the court which rendered the judgment or final order appealed from and serving a copy thereof upon the adverse party. No record on appeal shall be required except in special proceedings and other cases of multiple or separate appeals where the law or these Rules so require. In such cases, the record on appeal shall be filed and served in like manner.

x x x

<sup>14</sup> *Escoto v. Phil. Amusement and Gaming Corp.*, 797 Phil. 320, 326 (2016).

<sup>15</sup> *Rollo*, p. 10.

<sup>16</sup> *Cando v. Sps. Olazo*, 547 Phil. 630, 635 (2007).

(c) *Appeal by certiorari*. – In all cases where only questions of law are raised or involved, the appeal shall be to the Supreme Court by petition for review on *certiorari* in accordance with Rule 45.

Thus, this Court finds that the CA did not err in dismissing petitioners' appeal. Since what petitioners raised in their appeal was a pure question of law, their proper recourse was to file before this Court a petition for review on *certiorari* under Rule 45 of the Rules of Court.<sup>17</sup> In fact, the CA's dismissal of petitioners' appeal was the only proper and unavoidable outcome as Section 2, Rule 50 of the Rules of Court provides:

Sec. 2. *Dismissal of improper appeal to the Court of Appeals*.  
– An appeal under Rule 41 taken from the Regional Trial Court to the Court of Appeals raising only questions of law shall be dismissed, issues purely of law not being reviewable by said court. Similarly, an appeal by notice of appeal instead of by petition for review from the appellate judgment of a Regional Trial Court shall be dismissed.

**An appeal erroneously taken to the Court of Appeals shall not be transferred to the appropriate court but shall be dismissed outright.** (Emphasis supplied.)

Notwithstanding the absence of error on the part of the CA in dismissing petitioners' appeal, this Court finds it imperative to resolve the substantive issue of the instant case in order to render a just and speedy disposition thereof. As held in *Ong Lim Sing, Jr. v. FEB Leasing and Finance Corp.*,<sup>18</sup> courts have the prerogative to relax procedural rules of even the most mandatory character, bearing in mind the duty to reconcile both the need to speedily put an end to litigation and the parties' right to due process.<sup>19</sup> In numerous cases, the liberal construction of the rules has been allowed by this Court when to do so would serve the demands of substantial justice and equity.<sup>20</sup>

In *Nursery Care Corp., et al. v. Acevedo, et al.*,<sup>21</sup> this Court adopted a liberal approach and resolved the case on the merits despite its

<sup>17</sup> *Macawiwili Gold Mining and Dev't. Co., Inc. v. CA*, 358 Phil. 245, 257 & 261 (1998).

<sup>18</sup> 551 Phil. 768 (2007).

<sup>19</sup> *Id.* at 780.

<sup>20</sup> *Id.*

<sup>21</sup> 740 Phil. 70, 82 (2014).

ruling that the CA's dismissal of the appeal therein was proper as it raised only questions of law. Similarly, this Court finds it proper to relax the technical rules or procedure in this case, taking into consideration the earlier pronouncement in *Spouses Go v. Chaves, et al.*:<sup>22</sup>

Our rules of procedure are designed to facilitate the orderly disposition of cases and permit the prompt disposition of unmeritorious cases which clog the court dockets and do a little more than waste the courts' time. These technical and procedural rules, however, are intended to ensure, rather than suppress, substantial justice. A deviation from their rigid enforcement may thus be allowed, as petitioners should be given the fullest opportunity to establish the merits of their case, rather than lose their property on mere technicalities. x x x<sup>23</sup>

*II. The HLURB has primary jurisdiction over respondent's complaint; however, the judgment of the RTC remains valid.*

The issue brought before this Court is "whether it is the HLURB and not the [RTC] which has the jurisdiction over complaints to annul contracts involving the purchase or continual use of memorial lots based on the developer's alleged lack of certificate of registration and license to sell and the absence of improvements in the memorial park."<sup>24</sup>

The *doctrine of primary jurisdiction* has been increasingly called into play on matters demanding the special competence of administrative agencies even if such matters are also within the jurisdiction of the courts.<sup>25</sup> Under this doctrine, if a case is such that its determination requires the expertise, specialized training and knowledge of an administrative body, relief must first be obtained in an administrative proceeding before resort to the courts is had even if the matter may well be within their proper jurisdiction.<sup>26</sup> The doctrine applies where a claim is originally cognizable in the courts and comes into play whenever enforcement of the claim requires the resolution of issues which, under a regulatory scheme, have been placed within the special competence of

<sup>22</sup> 633 Phil. 342 (2010).

<sup>23</sup> *Id.* at 350.

<sup>24</sup> *Rollo*, p. 10.

<sup>25</sup> *San Miguel Properties, Inc. v. Sec. Perez, et al.*, 717 Phil. 244, 262 (2013).

<sup>26</sup> *Euro-Med Laboratories, Phil., Inc. v. Province of Batangas*, 527 Phil. 623, 626 (2006).

an administrative agency.<sup>27</sup> In such a case, the court in which the claim is sought to be enforced may either suspend the judicial process pending referral of such issues to the administrative body for its view or, if the parties would not be unfairly disadvantaged, dismiss the case without prejudice.<sup>28</sup>

Article IV, Section 5(c) of Executive Order No. 648<sup>29</sup> has vested the HLURB the power to “[i]ssue rules and regulations to enforce the land use policies and human settlements as provided for in Presidential Decrees No. 399, 815, 933, 957, 1216, 1344, 1396, 1517, Letter of Instructions No. 713, 729, 833, 935 and other related laws regulating the use of land including the regulatory aspects of the Urban Land Reform Act and all decrees relating to regulation of the value of land and improvements, and their rental.”

Pursuant thereto, the HLURB promulgated HLURB Resolution No. 681-00 (Amending the Rules and Regulations for Memorial Parks and Cemeteries), which was approved on September 21, 2000. The rules and regulations therein apply to new development and/or expansion/alteration of existing memorial parks/cemeteries and other private burial grounds.<sup>30</sup> Section 2, Rule I thereof provides that every registered owner or developer of a parcel of land who wishes to convert it into a memorial park/cemetery shall apply with the Board or city/municipality concerned for the approval of the memorial park/cemetery plan by the filing of required documents as stated therein. Further, Rule II thereof prescribes the procedure for the registration and licensing of memorial park/cemetery projects.

Given the foregoing, although respondent’s complaint was within the jurisdiction of the RTC, the circumstances surrounding her purchase of a memorial lot brought it clearly within the ambit of the HLURB’s primary jurisdiction.

<sup>27</sup> *Id.* at 626-627.

<sup>28</sup> *Id.* at 627.

<sup>29</sup> Charter of the Human Settlements Regulatory Commission.

<sup>30</sup> Section I, HLURB Resolution No. 681-00.



However, this Court disagrees with petitioners' insistence that the March 31, 2011 Decision<sup>31</sup> of the RTC is void for lack of jurisdiction. It bears mentioning that at the time respondent filed her Complaint<sup>32</sup> dated November 25, 2005, no specific provisions of law, other than Presidential Decree No. (PD) 1344,<sup>33</sup> delineated the cases over which the HLURB has exclusive jurisdiction.

For reference, Section 1 of PD 1344 provides:

Sec. 1. In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority [later transferred the HLURB] shall have exclusive jurisdiction to hear and decide cases of the following nature:

- A. Unsound real estate business practices;
- B. Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- C. Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, or salesman.

In the 2007 case of *Delos Santos v. Spouses Sarmiento*,<sup>34</sup> this Court held that not every case involving buyers and sellers of real estate may be filed with the HLURB whose jurisdiction is limited to cases filed by the buyer or owner of a subdivision lot or condominium unit.<sup>35</sup> In addition, the HLURB's jurisdiction shall be based on any of the causes of action enumerated under Section 1 of PD 1344, and the jurisdictional facts must be clearly alleged in the complaint.<sup>36</sup>

Subsequently, the jurisdiction of the HLURB was expanded through the enactment of Republic Act No. (RA) 9904 otherwise known as the "*Magna Carta for Homeowners and Homeowners' Associations*,"

<sup>31</sup> CA rollo, pp. 18-26.

<sup>32</sup> Records, Vol. I, pp. 3-14.

<sup>33</sup> Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of Its Decisions under Presidential Decree No. 957.

<sup>34</sup> 548 Phil. 1 (2007).

<sup>35</sup> *Id.* at 16.

<sup>36</sup> *Id.*

which was approved on January 7, 2010. Under Section 20(d) of RA 9904, the HLURB is vested with the authority to “[h]ear and decide *intra-association and/or inter-association controversies and/or conflicts x x x.*”

*The Revised Rules of Proceedings  
Before Regional Arbiters*

On December 7, 2017, the HLURB promulgated and adopted HLURB Resolution No. 963-17 or the “*Revised Rules of Proceedings Before Regional Arbiters*” (2017 Rules). Through this Resolution, the scope of jurisdiction of the HLURB was made clear.

Rule 2, Sections 5 and 6 of the 2017 Rules set out the *general* and *specific* jurisdiction of the HLURB Regional Arbiters, *viz.*:

Sec. 5. General Jurisdiction. – Arbiters have exclusive jurisdiction over disputes involving laws being implemented by the Housing and Land Use Regulatory Board and such other cases as may be provided by law unless specifically vested in another tribunal.

Sec. 6. Specific Jurisdiction. –

6.1. *Jurisdiction over real estate developments.* The Arbiters shall exercise exclusive and original jurisdiction to hear and decide cases involving subdivisions, condominiums, memorial parks and similar real estate developments, as follows:

6.1.1. Claims for refund, complaints against unsound real estate business practices and other actions for specific performance of contractual and statutory obligations filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and other complaints for violation of Presidential Decree No. 957 and other related laws;

6.1.2. Suits filed in opposition to an application for certificate of registration and license to sell, development permits for condominium projects, clearance to mortgage, or the revocation or cancellation thereof, and locational clearances, certifications or permits, when issued by the Housing and Land Use Regulatory Board;

6.1.3. Suits filed by the project owner or developer or the duly registered homeowners association of the project pertaining to the

open spaces or common areas of the subdivision or condominium, except those where third parties are involved; and,

6.1.4. Disputes involving easements within or among subdivisions projects.

6.2. *Jurisdiction over homeowners and homeowners associations.* The Arbiters shall exercise exclusive jurisdiction to hear and decide cases involving homeowners associations, as follows:

6.2.1. Suits filed in opposition to an application for, or the revocation of, certificate of registration of homeowners associations;

6.2.2. Intra-association disputes or controversies arising out of the relations between and among members of homeowners associations; between any or all of them and the homeowners association of which they are members, including federations and other umbrella organizations of homeowners associations;

6.2.3. Inter-association disputes or controversies arising out of the relations between and among two or more homeowners associations or condominium corporations, federations or other umbrella organizations of homeowners associations;

6.2.4. Disputes or controversies between the association and the homeowners or other beneficial users relating to the exercise of their respective rights, duties and obligations;

6.2.5. Disputes between the homeowners association and the State, insofar as its registration or right to exist and those which are intrinsically connected with the regulation of homeowners associations.

The 2017 Rules also provides that “[t]he 2011 Housing and Land Use Regulatory Board Rules of Procedure<sup>37</sup> (2011 Rules) and the Rules of Court shall have suppletory application insofar as these have not been specifically repealed or are not inconsistent with this Rules.”<sup>38</sup> With reference to the 2011 Rules, the disputes or controversies it covers are listed under Section 2, Rule 1<sup>39</sup> thereof. It is worth mentioning that the

<sup>37</sup> HLURB Resolution No. 871-11 otherwise known as the “2011 Revised Rules of Procedure of the Housing and Land Use Regulatory Board.”

<sup>38</sup> Sec. 4, Rule 1, HLURB Resolution No. 963-17.

<sup>39</sup> Sec. 2, Rule 1, HLURB Resolution No. 871-11 provides:

- Section 2. *Coverage.* – This Rules shall be applicable to the following disputes or controversies:
- (a) Actions concerning unsound real estate business practices filed by buyers;
  - (b) Claims involving refund and other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman;
  - (c) Cases involving specific performance of contractual and statutory obligations filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman;
  - (d) Intra-association disputes or controversies arising out of the relations between and among members of homeowners associations; between any or all of them and the homeowners association of which they are members;

2011 Rules does not specifically state that the HLURB shall have exclusive jurisdiction over the cases so covered.

This Court also observes that disputes involving memorial parks, like the one at bar, are not among those covered in the 2011 Rules. Significantly, the 2017 Rules, through Section 6.1, Rule 2<sup>40</sup> thereof, has expressly included cases involving memorial parks as among those which are under the exclusive jurisdiction of the HLURB Arbiters.

*The recent enactment of RA 11201 otherwise known as the "Department of Human Settlements and Urban Development Act" and the promulgation of its Implementing Rules and Regulations (IRR); the reconstitution of the HLURB and the transfer of its functions to the Human Settlements Adjudicatory Commission*

On February 14, 2019, RA 11201 known as the "*Department of Human Settlements and Urban Development Act*" was approved. The law created the Department of Human Settlements and Urban Development (Department), defined its mandate, powers and functions, and decreed its inclusion in the annual General Appropriations Act for its continued implementation. Section 4, Chapter III of RA 11201 pertinently provides:

- 
- (e) Inter-association disputes or controversies arising out of the relations between and among two or more homeowners associations;
  - (f) Disputes between such homeowners association and the state insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of homeowners associations or dealing with the internal affairs of such entity;
  - (g) Suits filed in opposition to an application for certificate of registration and license to sell, development permit for condominium projects, clearance to mortgage, or the revocation or cancellation thereof, and locational clearances, certifications or permits, when issued by the Regional Field Office of HLURB;
  - (h) Appeals from decisions of local and regional planning and zoning bodies; and,
  - (i) Other analogous cases.

<sup>40</sup> Sec. 6.1, Rule 2, HLURB Resolution No. 963-17, pertinently provides:

Sec. 6.1. *Jurisdiction over real estate developments.* The Arbiters shall exercise exclusive and original jurisdiction to hear and decide cases involving subdivisions, condominiums, **memorial parks** and similar real estate developments x x x. (Emphasis supplied.)

Sec. 4. *Creation and Mandate of the Department of Human Settlements and Urban Development.* – There is hereby created the Department of Human Settlements and Urban Development, hereinafter referred to as the Department, through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory Board (HLURB). The Department shall act as the primary national government entity responsible for the management of housing, human settlement and urban development. It shall be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. It shall develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and shall ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

It is important to note that under Section 12, Chapter IV of RA 11201, the HLURB has been reconstituted and shall henceforth be known as the *Human Settlements Adjudication Commission* (HSAC). The adjudicatory function of the HLURB has been transferred to the HSAC and shall be attached to the Department for policy, planning and program coordination only.<sup>41</sup>

On July 19, 2019, the “*Implementing Rules and Regulations of the Department of Human Settlements and Urban Development Act*” was approved. Significantly, the IRR of RA 11201 has defined the term “*real estate projects*” or “*real estate development projects*” as referring to “subdivisions, condominiums, townhouses, memorial parks, columbaria and other similar projects which by law are subject to the regulatory jurisdiction of the Department.”<sup>42</sup> From this definition, it is readily observable that the term “real estate,” which used to cover only subdivisions and condominiums under PD 1344, has now been broadened to also include townhouses, *memorial parks*, columbaria and other similar projects.

Additionally, the confusion as to the jurisdiction of the HLURB, now the HSAC, has been removed as the IRR of RA 11201 has listed the

<sup>41</sup> See Section 12, Chapter IV of the RA 11201.

<sup>42</sup> See Section 3.30, Rule I of the Implementing Rules and Regulations of the Department of Human Settlements and Urban Development Act.

cases over which the Regional Adjudicators of the HSAC have original and exclusive jurisdiction as well as the cases over which the Commission Proper has exclusive appellate jurisdiction. Sections 33 and 34 of the IRR of 11201 specifically provide:

Sec. 33. *Jurisdiction of the Commission.* – The Commission shall have the exclusive appellate jurisdiction over:

33.1 All cases decided by the Regional Adjudicators; and

33.2 Appeals from decisions of local and regional planning and zoning bodies.

The decision of the Commission shall be final and executory after fifteen (15) calendar days from receipt by the parties.

Sec. 34. *Jurisdiction of Regional Adjudicators.* – The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

34.1 Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(a) Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights;

(b) Claims for refund, and other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman: *Provided*, That when the cause of action arises from the buyer's rights under Section 23 of PD 957 and the purchase price of the property is paid through a housing loan from a bank or other financing institutions, the latter shall be impleaded as necessary party;

(c) Cases involving specific performance of contractual and statutory obligations arising from the sale of the lot or unit and development of the subdivision or condominium project;

(d) Disputes involving the open spaces or common areas and their use filed by the project owner or developer or the duly registered HOA, including the eviction of informal settlers therein, in accordance with the requirements of law, and the rules and regulations promulgated by duly constituted authorities;

(e) Suits to declare subdivision, condominium or other real estate developments within the regulatory jurisdiction of the Department as abandoned, as defined under Section 3 of the Act for the purpose of Section 35 of PD 957;

(f) Disputes involving easements within or among subdivision projects; and

(g) Actions to annul mortgages executed in violation of Section 18 of PD 957 filed by a subdivision lot or condominium unit buyer against the project owner and/or developer and the mortgagee.

34.2 Cases involving [Homeowners Associations (HOA)]:

(a) Controversies involving the registration and regulation of HOAs;

(b) Intra-association disputes or controversies arising out of the relations between and among members of HOAs; between any or all of them and the HOA of which they are members;

(c) Inter-association disputes or controversies arising out of the relations between and among two (2) or more HOAs between and among federations and other umbrella organizations, on matters pertaining to the exercise of their rights, duties and functions; and

(d) Disputes between such HOA and the State, insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of HOAs or dealing with the internal affairs of such entity;

34.3 Disputes involving the implementation of Section 18 of RA 7279, as amended by RA 10884, and its implementing rules and regulations; and

34.4 Disputes or controversies involving laws and regulations being implemented by the Department except those cases falling within the jurisdiction of other judicial or quasi-judicial body.

*The March 31, 2011 Decision of the  
RTC remains valid.*

To stress, however, the 2017 Rules as well as RA 11201 and its IRR were not yet in force at the time the present controversy arose.

Accordingly, this Court rules to uphold the jurisdiction of the RTC over the case filed by respondent involving the purchase of continual use of a memorial lot. As declared in *Durisol Phils., Inc. v. Court of Appeals*:<sup>43</sup>

The regional trial court, formerly the court of first instance, is a court of general jurisdiction. All cases, **the jurisdiction over which is not specifically provided for by law to be within the jurisdiction of any other court**, fall under the jurisdiction of the regional trial court. x x x<sup>44</sup> (Emphasis supplied)

*III. The RTC was correct in annulling the Application for Continual Use,<sup>45</sup> in ordering the return of the payments respondent made in the total amount of ₱457,760.74, plus legal interest, and in ordering the award of moral and exemplary damages and attorney's fees to respondent.*

It bears to reiterate that petitioners did not raise any other issue besides jurisdiction. They did not question the RTC's findings of fact. Neither did they challenge the very judgment of the RTC which, among others, annulled their agreement with respondent denominated as Application for Continual Use; ordered them to return to respondent all the payments she made in the total amount of ₱457,760.74, plus legal interest; and ordered them to pay moral and exemplary damages and attorney's fees. To this Court, petitioners' omission to question the RTC's judgment connotes their admission that they are indeed liable to respondent.

At any rate, this Court finds the RTC Decision<sup>46</sup> dated March 31, 2011 to be in order. The RTC correctly annulled the Application for Continual Use on the ground that respondent's consent to enter into such agreement was vitiated by mistake. Under Article 1331 of the Civil Code, "[i]n order that mistake may invalidate consent, it should refer to

<sup>43</sup> 427 Phil. 604 (2002).

<sup>44</sup> *Id.* at 612.

<sup>45</sup> Records, Vol. I, pp. 15-18.

<sup>46</sup> CA rollo, pp. 18-26.



the substance of the thing which is the object of the contract, or to those conditions which have principally moved one or both parties to enter into the contract.” Here, the RTC found that respondent was enticed by the written advertisement of PDI stating the convenient features one would enjoy at Sanctuary Memorial Park which did not materialize.<sup>47</sup> The RTC also noted the absence of knowledge on the part of respondent that PDI was not clothed with authority to sell or dispose of the memorial lots at Sanctuary Memorial Park at the time the agreement was executed.<sup>48</sup> Undeniably, these conditions vitiated respondent’s consent and sufficiently justified the annulment of the Application for Continual Use.

As to the damages awarded, this Court also finds no reason to deviate from the findings of the RTC. Moral damages may be awarded when there is willful injury to property if the court should find that, under the circumstances, such damages are justly due.<sup>49</sup> Further, exemplary damages may be awarded by way of example or correction for the public good, in addition to the moral damages.<sup>50</sup> In this case, the RTC found that the attendant circumstances caused respondent to suffer sleepless nights.<sup>51</sup> It also noted that petitioners’ acts were accompanied with bad faith.<sup>52</sup> Hence, the award of moral and exemplary damages to respondent was proper.

Moreover, the RTC correctly ordered the award of attorney’s fees in favor of respondent who was constrained to litigate, hire the services of counsel, and incur expenses to enforce her rights and protect her interests.<sup>53</sup> As provided in Article 2208(2) of the Civil Code, recovery of attorney’s fees and expenses of litigation, other than judicial costs, may be allowed in cases where the defendant’s act or omission has compelled the plaintiff to incur expenses to protect his interest.

**WHEREFORE**, the Petition for Review on *Certiorari* is hereby **DENIED**. The Decision dated March 31, 2011 of the Branch 67,

<sup>47</sup> *Id.* at 24.

<sup>48</sup> *Id.*

<sup>49</sup> CIVIL CODE, Article 2220.

<sup>50</sup> CIVIL CODE, Article 2229.


<sup>51</sup> *CA rollo*, p. 25.

<sup>52</sup> *Id.*


<sup>53</sup> *Id.*


Regional Trial Court, Pasig City in Civil Case No. 70647 is **AFFIRMED *in toto***.


**SO ORDERED.**

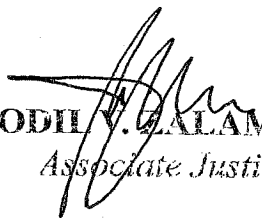
  
**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

WE CONCUR:

  
**ESTELA M. BERLAS-BERNABE**  
*Senior Associate Justice*  
*Chairperson*


  
**ANDRES B. REYES, JR.**  
*Associate Justice*

  
**RAMON PAUL L. HERNANDO**  
*Associate Justice*

  
**RODIL V. ZALAMEDA**  
*Associate Justice*


**ATTESTATION**

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**ESTELA M. PERLAS-BERNABE**  
*Senior Associate Justice*  
*Chairperson*

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Acting Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**DIOSDADO M. PERALTA**  
*Chief Justice*