

THIRD DIVISION

[G.R. No. 167702, March 20, 2009]

**LOURDES L. ERISTINGCOL, PETITIONER, VS. COURT OF APPEALS
AND RANDOLPH C. LIMJOCO, RESPONDENTS.**

DECISION

NACHURA, J.:

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court which assails the Court of Appeals (CA) Decision^[1] in CA-G.R. SP. No. 64642 dismissing Civil Case No. 99-297 before the Regional Trial Court (RTC) for lack of jurisdiction.

The facts, as narrated by the CA, are simple.

[Petitioner Lourdes] Eristingcol is an owner of a residential lot in Urdaneta Village (or "village"), Makati City and covered by Transfer Certificate of Title No. 208586. On the other hand, [respondent Randolph] Limjoco, [Lorenzo] Tan and [June] Vilvestre were the former president and chairman of the board of governors (or "board"), construction committee chairman and village manager of [Urdaneta Village Association Inc.] UVAI, respectively. UVAI is an association of homeowners at Urdaneta Village.

[Eristingcol's] action [against UVAI, Limjoco, Tan and Vilvestre] is founded on the allegations that in compliance with the National Building Code and after UVAI's approval of her building plans and acceptance of the construction bond and architect's fee, Eristingcol started constructing a house on her lot with "concrete canopy directly above the main door and highway"; that for alleged violation of its Construction Rules and Regulations (or "CRR") on "Set Back Line" *vis-a-vis* the canopy easement, UVAI imposed on her a penalty of P400,000.00 and barred her workers and contractors from entering the village and working on her property; that the CRR, particularly on "Set Back Line," is contrary to law; and that the penalty is unwarranted and excessive.

On February 9, 1999, or a day after the filing of the complaint, the parties reached a temporary settlement whereby UVAI, Limjoco, Tan and Vilvestre executed an undertaking which allowed Eristingcol's workers, contractors and suppliers to leave and enter the village, subject only to normal security regulations of UVAI.

On February 26, 1999, UVAI, Limjoco, Tan and Vilvestre filed a motion to dismiss on ground of lack of jurisdiction over the subject matter of the action. They argued that it is the Home Insurance Guaranty Corporation (or "HIGC")^[2] which has jurisdiction over intra-corporate disputes

involving homeowners associations, pursuant to Exec. Order No. 535, Series of 1979, as amended by Exec. Order No. 90, Series of 1986.

Opposing the motion, Eristingcol alleged, among others, that UVAI, Limjoco, Tan and Vilvestre did not comply with the mandatory provisions of Secs. 4 and 6, Rule 15 of the 1997 Rules of Civil Procedure and are estopped from questioning the jurisdiction of the [RTC] after they voluntarily appeared therein "and embraced its authority by agreeing to sign an Undertaking."

On May 20, 1999, Eristingcol filed an amended complaint by (i) impleading Manuel Carmona (or "Carmona") and Rene Cristobal (or "Cristobal"), UVAI's newly-elected president and chairman of the board and newly-designated construction committee chairman, respectively, as additional defendants and (ii) increasing her claim for moral damages against each petitioner from P500,000.00 to P1,000,000.00.

On May 25, 1999, Eristingcol filed a motion for production and inspection of documents, which UVAI, Limjoco, Tan, Vilvestre, Carmona and Cristobal opposed. The motion sought to compel [UVAI and its officers] to produce the documents used by UVAI as basis for the imposition of the P400,000.00 penalty on Eristingcol as well as letters and documents showing that UVAI had informed the other homeowners of their violations of the CRR.

On May 26, 1999, the [RTC] issued an order which pertinently reads:

IN VIEW OF THE FOREGOING, for lack of merit, the defendants' Motion to Dismiss is Denied, and plaintiff's motion to declare defendants in default and for contempt are also Denied."

The [RTC] ratiocinated that [UVAI, Limjoco, Tan and Vilvestre] may not assail its jurisdiction "after they voluntarily entered their appearance, sought reliefs therein, and embraced its authority by agreeing to sign an undertaking to desist from prohibiting (Eristingcol's) workers from entering the village." In so ruling, it applied the doctrine enunciated in *Tijam v. Sibonghanoy*.

On June 7, 1999, Eristingcol filed a motion reiterating her earlier motion for production and inspection of documents.

On June 8, 1999, [UVAI, Limjoco, Tan and Vilvestre] moved for partial reconsideration of the order dated May 26, 1999. Eristingcol opposed the motion.

On March 24, 2001, the [RTC] issued an order granting Eristingcol's motion for production and inspection of documents, while on March 26, 2001, it issued an order denying [UVAI's, Limjoco's, Tan's and Vilvestre's] motion for partial reconsideration.

On May 10, 2001, [UVAI, Limjoco, Tan and Vilvestre] elevated the

dispute before [the CA] *via* [a] petition for *certiorari* alleging that the [RTC] acted without jurisdiction in issuing the orders of May 26, 1999 and March 24 and 26, 2001.^[3]

The CA issued the herein assailed Decision reversing the RTC Order^[4] and dismissing Eristingcol's complaint for lack of jurisdiction.

Hence, this appeal positing a sole issue for our resolution:

Whether it is the RTC or the Housing and Land Use Regulatory Board (HLURB) which has jurisdiction over the subject matter of Eristingcol's complaint.

Before anything else, we note that the instant petition impleads only Limjoco as private respondent. The rest of the defendants sued by Eristingcol before the RTC, who then collectively filed the petition for *certiorari* before the CA assailing the RTC's Order, were, curiously, not included as private respondents in this particular petition.

Eristingcol explains that only respondent Limjoco was retained in the instant petition as her discussions with UVAI and the other defendants revealed their lack of participation in the work-stoppage order which was supposedly single-handedly thought of and implemented by Limjoco.

The foregoing clarification notwithstanding, the rest of the defendants should have been impleaded as respondents in this petition considering that the complaint before the RTC, where the petition before the CA and the instant petition originated, has yet to be amended. Furthermore, the present petition maintains that it was serious error for the CA to have ruled that the RTC did not have jurisdiction over a complaint for declaration of nullity of UVAI's Construction Rules. Clearly, UVAI and the rest of the defendants should have been impleaded herein as respondents.

Section 4(a), Rule 45 of the Rules of Court, requires that the petition shall "state the full name of the appealing party as petitioner and the adverse party as respondent, without impleading the lower courts or judges thereof either as petitioners or respondents." As the losing party in defendants' petition for *certiorari* before the CA, Eristingcol should have impleaded all petitioners, the winning and adverse parties therein.

On this score alone, the present petition could have been dismissed outright.^[5] However, to settle the issue of jurisdiction, we have opted to dispose of this case on the merits.

Despite her having dropped UVAI, Lorenzo Tan (Tan) and June Vilvestre (Vilvestre) from this suit, Eristingcol insists that her complaint against UVAI and the defendants was properly filed before the RTC as it prays for the declaration of nullity of UVAI's Construction Rules and asks that damages be paid by Limjoco and the other UVAI officers who had inflicted injury upon her. Eristingcol asseverates that since the case before the RTC is one for declaration of nullity, the nature of the question that is the subject of controversy, not just the status or relationship of the parties, should determine which body has jurisdiction. In any event, Eristingcol submits that the RTC's jurisdiction over the case was foreclosed by the prayer of UVAI and its officers, including Limjoco, for affirmative relief from that court.

Well-settled in jurisprudence is the rule that in determining which body has jurisdiction over a case, we should consider not only the status or relationship of the parties, but also the nature of the question that is the subject of their controversy.

[6] To determine the nature of an action and which court has jurisdiction, courts must look at the averments of the complaint or petition and the essence of the relief prayed for.[7] Thus, we examine the pertinent allegations in Eristingcol's complaint, specifically her amended complaint, to wit:

Allegations Common to All Causes of Action

3. In 1958 and upon its incorporation, [UVAI] adopted a set of By-laws and Rules and Regulations, x x x. Item 5 of [UVAI's] Construction Rules pertinently provides:

"Set back line: All Buildings, including garage servants' quarters, or parts thereof (covered terraces, portes cocheres) must be constructed at a distance of not less than *three (3) meters from the boundary fronting a street* and not less than four (4) meters fronting the drainage creek or underground culvert and two (2) meters from other boundaries of a lot. Distance will be measured from the vertical projection of the roof nearest the property line. Completely open and unroofed terraces are not included in these restrictions."

Suffice it to state that there is nothing in the same By-laws which deals explicitly with canopies or marquees which extend outward from the main building.

4. [Eristingcol] has been a resident of Urdaneta Village for eleven (11) years. In February 1997, she purchased a parcel of land in the Village, located at the corner of Urdaneta Avenue and Cerrada Street. x x x.

5. In considering the design for the house (the "Cerrada property") which she intended to construct on Cerrada Street, [Eristingcol] referred to the National Building Code of the Philippines. After assuring herself that the said law does not expressly provide any restrictions in respect thereof, and after noting that *other houses* owned by prominent families had similar structures without being cited by the Village's Construction Committee, [Eristingcol] decided that the Cerrada property would have a concrete canopy directly above the main door and driveway.

6. In compliance with [UVAI's] rules, [Eristingcol] submitted to [UVAI] copies of her building plans in respect of the Cerrada property and the building plans were duly approved by [UVAI]. x x x.

7. [Eristingcol] submitted and/or paid the "cash bond/construction bond deposit and architect's inspection fee" of P200,000.00 and the architect's inspection fee of P500.00 as required under Construction Rules x x x.

8. In the latter part of 1997, and while the construction of the Cerrada property was ongoing, [Eristingcol] received a notice from [UVAI], charging her with alleged violations of the Construction Rules, i.e., those

on the height restriction of eleven (11.0) meters, and the canopy extension into the easement. On 22nd January 1998, [Eristingcol] (through her representatives) met with, among others, defendant Limjoco. In said meeting, and after deliberation on the definition of the phrase "original ground elevation" as a reference point, [Eristingcol's] representatives agreed to revise the building plan by removing what was intended to be a parapet or roof railing, and thereby reduce the height of the structure by 40 centimeters, which proposal was accepted by the Board through defendant Limjoco, Gov. Catalino Macaraig Jr. ([UVAI's] Construction Committee chairman), and the Village's Architect. However, the issue of the alleged violation in respect of the canopy/extension remained unresolved.

x x x x

9. In compliance with the agreement reached at the 22nd January 1998 meeting, [Eristingcol] caused the revision of her building plans such that, as it now stands, the Cerrada property has a vertical height of 10.96 meters and, thus, was within the Village's allowed maximum height of 11 meters.

10. Sometime in June 1998, [Eristingcol] was surprised to receive another letter from [UVAI], this time from the Construction Committee chairman (defendant Tan), again calling her attention to alleged violations of the Construction Rules. On 15th June 1998, [UVAI] barred [Eristingcol's] construction workers from entering the Village. Thus, [Eristingcol's] Construction Manager (Mr. Jaime M. Hidalgo) wrote defendant Tan to explain her position, and attached photographs of similar "violations" by other property owners which have not merited the same scrutiny and sanction from [UVAI].

x x x x

11. On 26th October 1998, and for reasons known only to him, defendant Vilvestre sent a letter to Mr. Geronimo delos Reyes, demanding for an "idea of how [Mr. delos Reyes] can demonstrate in concrete terms [his] good faith as a *quid pro quo* for compromise to" [UVAI's] continued insistence that [Eristingcol] had violated [UVAI's] Construction Rules. x x x.

x x x x

12. [Eristingcol] through Mr. Hidalgo sent a letter dated 24th November 1998 to defendant Tan, copies of which were furnished defendants Limjoco, Vilvestre and the Board, reiterating that, among others: (i) the alleged height restriction violation is untrue, since the Cerrada property now has a height within the limits imposed by [UVAI]; and (ii) the demand to reduce the canopy by ninety (90) centimeters is without basis, in light of the existence of thirty-five (35) similar "violations" of the same nature by other homeowners. [Eristingcol] through Mr. Hidalgo further mentioned that she had done nothing to deserve the crude and