

THIRD DIVISION

[G.R. No. 149839, August 29, 2002]

DRA. NEREA RAMIREZ-JONGCO, AURORA J. CIFRA, FLORDELIZA J. ARCILA, ETHELINDA J. HOLT, LOURDES J. CIFRA, BIENVENIDO R. JONGCO, ANTONIO JONGCO, JR., AND JOSE JONGCO, REPRESENTED BY ERMELINDA C. MANALOTO, PETITIONERS, VS. ISMAEL A. VELOSO III, RESPONDENT.

D E C I S I O N

PUNO, J.:

This is a Petition for Review on *Certiorari* under Rule 45 seeking the reversal of the Resolution, dated June 27, 2001, of the Court of Appeals^[1] in CA-G.R. SP No. 65216, which dismissed the petitioners' Petition for Annulment of Judgment, as well as its Resolution, dated September 7, 2001, which denied the petitioners' Motion for Reconsideration.

This petition is an offshoot of an Unlawful Detainer^[2] case filed by the petitioners against the respondent with the Metropolitan Trial Court of Quezon City. In their complaint, the petitioners alleged that they are the lessors of a residential house located at No. 42 Big Horseshoe Drive, Horseshoe Village, Quezon City, leased by the respondent at a monthly rental of P17,000.00. The ground was the failure of the lessee to pay rentals from May 23, 1997 to December 22, 1998, despite repeated demands by the petitioners. For his part, the respondent denied the non-payment of rentals and alleged that he made an advance payment of P825,000.00 when he paid for the repairs done on the leased property.

After trial, the metropolitan trial court decided in favor of the petitioners, and ordered the respondent to: "(a) vacate the premises at No. 42 Big Horseshoe Village, Quezon City; (b) pay plaintiff the sum of P306,000.00, corresponding to the rentals due from May 23, 1997 to November 22, 1998, and the sum of P17,000.00 a month thereafter until defendant vacates the premises; and (c) pay plaintiff the sum of P5,000.00 as and by way of attorneys fees."^[3]

The respondent appealed the case to the Regional Trial Court of Quezon City.^[4] In a Decision dated February 23, 2001, the regional trial court modified the appealed ruling, and ordered the respondent to pay arrearages from May 23, 1997 up to the date of the decision. The respondent was also given an option to choose between staying in the leased property or vacating the same, subject to the reimbursement by the petitioners of one-half of the value of the improvements (placed at P120,000.00), or P60,000.00, with a right to remove said improvements, pursuant to Article 1678 of the New Civil Code, if the petitioners would refuse to pay half of its value.^[5]

Both parties moved for reconsideration. In an Order^[6] dated February 23, 2001, the regional trial court modified its decision by increasing the value of the improvement from P120,000.00 to P800,000.00.

Intending to further appeal the case, the petitioners filed an "Urgent Motion for Extension of Time to File Petition for Review" with the Court of Appeals. The proposed Petition for Review was docketed as CA-G.R. SP No. 63783, and the Urgent Motion was granted by the appellate court which set the deadline for the filing of the petition on April 2, 2001. When the designated date arrived, the petitioners did not file a Petition for Review, and instead filed an "Urgent Petition to Avail of the Petition for Certiorari Instead of Petition for Review." They prayed for the application of the docket fees and other legal charges previously paid for the Petition for Review, to the charges for the intended Petition for Certiorari (under Rule 65 of the Rules of Court). This Urgent Petition was treated as a motion, and denied by the Court of Appeals in a Resolution dated May 2, 2001.^[7] However, the appellate court held that the petitioners may still file a Petition for Certiorari subject to the payment of new docket fees. CA-G.R. SP No. 63783 was declared abandoned and terminated.

Again, the petitioners failed to file their proposed Petition for Certiorari. Instead, they filed on June 20, 2001, a "Petition for Declaration of Nullity of Decision and Order with Damages,"^[8] under Rule 47 of the Rules of Court. On June 27, 2001, the Court of Appeals issued a Resolution^[9] dismissing the petition on the following grounds, to wit: (a) that the Verification and Certificate of Non-Forum Shopping attached to the petition was signed only by a certain Ermelinda C. Manaloto, without any authorization document or a special power of attorney executed in her favor by the petitioners; and (b) that the judgment sought to be annulled was rendered by the Regional Trial Court of Quezon City in the exercise of its appellate jurisdiction; hence, the proper remedy is a Petition for Review under Rule 42 of the Rules of Court, not a Petition for Annulment of Judgment under Rule 47.

The petitioners filed an Urgent Motion for Reconsideration^[10] and a Supplemental Motion for Reconsideration^[11] with a Special Power of Attorney executed by the petitioners in favor of their co-petitioner Aurora Cifra, and another one executed by Cifra in favor of Ermelinda C. Manaloto. In a Resolution^[12] dated September 7, 2001, the Court of Appeals denied both motions.

Hence, this petition wherein a lone issue is raised, to wit:

"THE COURT OF APPEALS ERRED IN DISMISSING THE PETITION IN CA-GR SP NO. 65216."

The petitioners contend that their subsequent compliance with the requirement of authority or special power of attorney in favor of their representative, Ermelinda Manaloto, was not taken into consideration by the Court of Appeals. They also insist that a Petition for Annulment of Judgment of the regional trial court is the proper remedy because the said court awarded an amount beyond what it may grant under the law, and hence, beyond its jurisdiction. They argue that since the original case is an unlawful detainer case filed with the metropolitan trial court with a jurisdictional amount limited to P400,000.00,^[13] it follows that any monetary award given, whether by the metropolitan trial court in the first instance or by the regional trial court on appeal, must be limited to this jurisdictional amount.