

Title:

****Regulus Development, Inc. vs. Antonio dela Cruz: A Jurisdiction and Equity Jurisdiction Conflict****

Facts:

The legal battle initiated over the lease of two apartment units in San Juan Apartments, Pasay City, owned by Regulus Development, Inc. (petitioner) and leased by Antonio dela Cruz (respondent) in 1993 and 1994. The lease agreements permitted automatic renewals month-to-month unless concluded by written notice from the petitioner.

Upon termination notice by the petitioner and the respondent's refusal to vacate, an ejectment complaint was lodged against the respondent at the Metropolitan Trial Court (MTC) of Pasay City on May 1, 2001, which ruled in favor of the petitioner. This decision was affirmed by the Regional Trial Court (RTC) upon appeal by the respondent, who meanwhile consigned rental payments to the RTC due to petitioner's refusal to accept them.

A subsequent appeal by the respondent to the Court of Appeals (CA) led to the dismissal of the ejectment complaint, a decision that became final. Subsequently, the petitioner sought to withdraw rental consignments, leading to varied actions including a Writ of Execution by the RTC for fund withdrawal and a failed attempt by the respondent to challenge this through a certiorari petition in CA and onwards to the Supreme Court, which upheld RTC's orders.

A new contention arose with the petitioner's motion for a RTC order to levy the respondent's property to satisfy rental dues, which was initially granted by the RTC but later challenged by the respondent in CA, which reversed the RTC's order on jurisdictional grounds. This led to the present case where the petitioner challenges the CA's decision at the Supreme Court.

Issues:

1. Whether the RTC had jurisdiction to levy on the respondent's real property.
2. Procedural issue: Whether the lack of notarial seal on the Verification and Certification against Forum Shopping is fatal to the petition.

Court's Decision:

The Supreme Court granted the petition, reversing the CA's decision and reinstating the RTC orders.

1. ****Procedural Issue:**** The Court held that the lack of notarial seal on the Verification and

Certification against Forum Shopping is not fatal, emphasizing leniency on procedural lapses not impairing justice.

2. **Main Issue:** The Court sided with the petitioner, ruling the RTC had jurisdiction—in exercise of its equity jurisdiction independent of its appellate jurisdiction over the ejected case—to order the levy of real property to satisfy judgments. The Court clarified that the appellate jurisdiction and equity jurisdiction of RTC are distinct and purposeful, aimed to ensure justice beyond legal inflexibility.

Doctrine:

- **Equity Jurisdiction of RTC:** The Regional Trial Court's equity jurisdiction is distinct from its appellate jurisdiction, aimed at justice where law is inflexibly applied, including the power to prevent unjust enrichment.
- **Jurisdiction and Execution:** Execution should be applied for in the court of origin, consistent with the exercise of jurisdiction vested by law which cannot be waived or conferred by parties.

Class Notes:

- **Equity Jurisdiction vs. Appellate Jurisdiction:** Understand the distinction between a court's equity jurisdiction, aimed at achieving fairness and justice, and its appellate jurisdiction, which concerns reviewing lower court decisions.
- **Role of Jurisdiction in Court Orders:** Jurisdiction is a fundamental aspect that dictates a court's power to decide a case or issue orders. The Court of origin for execution purposes is identified through the jurisdiction under which original orders were issued.
- **Verification and Certification Against Forum Shopping:** Notarial seal omission is not necessarily fatal to petitions; substantive compliance and justice outweigh procedural technicalities.

Historical Background:

This case illustrates the intricate balance between legal procedure and equitable considerations within the Philippine legal system, highlighting the need for courts to flexibly administer justice beyond strict legal provisions, especially in property disputes involving jurisdictional challenges.