

Title: Pillars Property Corporation v. Century Communities Corporation (848 Phil. 187)

Facts:

1. **Contract and Construction Obligations**: On December 1, 2009, Pillars Property Corporation (PPC) filed a complaint against Century Communities Corporation (CCC) for unpaid progress billing of PHP 6.7 million in connection with a construction contract. PPC agreed to deliver 210 housing units at “Canyon Ranch” in Cavite, totaling PHP 77.5 million.
2. **Insurance Bond Issue**: PPC also sued People’s General Insurance Corporation (PGIC), which provided bonds to guarantee PPC’s obligations under the contract.
3. **CCC’s Motion to Dismiss**: On December 17, 2009, CCC filed a motion to dismiss on the grounds per the “CONTRACT (Construction of Typical Housing Units)” venue clause, which required actions to be filed exclusively in Makati courts.
4. **PPC’s Opposition**: PPC contested the motion on March 1, 2010, arguing the inclusion of PGIC changed the venue to Parañaque City per general venue rules under Section 2, Rule 4 of the Rules of Court.
5. **PGIC’s Position**: PGIC’s February 8, 2010 Answer included affirmative defenses, arguing no cause of action against it and stipulating PPC’s liabilities under indemnity agreements should CCC claim under the bonds.
6. **Subsequent Pleadings**: Following a series of correspondences (CCC’s Comment on March 4, PPC’s Reply on April 1), the RTC ruled on March 9, 2011, siding with CCC and dismissing PPC’s complaint for improper venue.
7. **Motion for Reconsideration**: PPC filed a motion on April 29, 2011, which the RTC denied on August 22, 2011.
8. **Appeal to CA**: PPC’s certiorari petition under Rule 65 was dismissed by the CA in its December 15, 2011 Resolution; a subsequent motion for reconsideration was also denied on March 13, 2012.
9. **Supreme Court Review**: Dissatisfied, PPC filed a Petition for Review on Certiorari to the Supreme Court.

Issues:

1. Whether the CA erred in concluding that the remedy availed of by PPC (Rule 65 petition) was erroneous.
2. Whether the RTC acted with grave abuse of discretion in granting the Motion to Dismiss for improper venue based on the stipulation in the contract.

Court’s Decision:

1. **Correct Remedy**: The Supreme Court held that PPC availed of the correct remedy of

certiorari under Rule 65. An order dismissing an action without prejudice, including those based on improper venue, is not appealable but can be reviewed through a Rule 65 certiorari petition.

2. **RTC's Decision on Venue**: Despite PPC utilizing the correct remedy, the Supreme Court found no grave abuse of discretion by the RTC in dismissing the Complaint. The RTC had a legal basis to apply Section 4(b) of Rule 4, stemming from the exclusive venue clause in the contract, rendering its decision to dismiss for improper venue valid.

#### Doctrine:

1. **Proper Remedy for Dismissal without Prejudice**: Under Section 1(g), Rule 41 of the Rules of Court, an order dismissing an action without prejudice, such as due to improper venue, is not appealable. Instead, the aggrieved party should file a certiorari petition under Rule 65.
2. **Exclusive Venue Stipulations**: Exclusive venue stipulations in contracts, if validly agreed upon before the filing of the action, take precedence over the general rule on venue as prescribed in Rule 4(b).

#### Class Notes:

1. **Special Civil Actions (Rule 65)**: Rule 65 certiorari is a remedy to correct acts of a tribunal, board, or officer exercising judicial functions in cases of grave abuse of discretion.
2. **Dismissal Grounds under Rule 16**:
  - Jurisdictional issues (persons/subject matter)
  - Improper venue
  - Legal incapacity
  - Pending similar action
  - Adherence to conditions precedent
3. **Revised Rules on Venue (Rule 4)**:
  - General Rule (Section 2): Personal actions can be commenced where the plaintiff or defendant resides.
  - Exceptions (Section 4): Valid agreement on exclusive venue by written contract supersedes the general rule on venue.

#### Historical Background:

This case reflects the procedural intricacies involved in Philippine civil litigation, particularly highlighting how venue stipulations in contracts are enforced. It showcases the judiciary's approach to resolving contractual disputes, shedding light on procedural justice and proper recourse when initial judicial actions are contested.