

Title: Ortigas & Company, Limited Partnership vs. Judge Jose B. Herrera, City Court of Manila, Branch II, and Emiliano Samson

Facts:

On August 14, 1969, Ortigas & Company, Limited Partnership (Ortigas) and Emiliano Samson (Samson) entered into a contract where Ortigas agreed to sell a parcel of land to Samson for P55,430.00. The contract stipulated that if Samson completed the construction and painting of his residential house on the lot within two years from August 14, 1969, Ortigas would refund P10.00 per square meter to Samson.

Samson completed the house within the stipulated period and notified Ortigas in writing on May 17, 1971, requesting a refund of P4,820.00. Ortigas failed to pay, leading Samson to file a complaint for the sum of money and damages in the City Court of Manila, Branch II, on May 6, 1972 (Civil Case No. 211673).

Ortigas moved to dismiss the complaint, arguing lack of jurisdiction, failure to state a cause of action, and improper venue. Judge Jose B. Herrera deferred ruling on the motion to dismiss until after trial. Subsequent motions for reconsideration by Ortigas were denied.

On October 12, 1972, Ortigas filed a special civil action for certiorari and prohibition with preliminary injunction in the Court of First Instance of Manila, Branch XXVII (Civil Case No. 88510). The motion to dismiss this petition was granted on November 17, 1972, on the grounds that the claim, being less than P10,000.00, fell within the exclusive jurisdiction of the city court.

Ortigas then petitioned the Supreme Court, arguing amongst other points that the action was one for specific performance, not for a sum of money, which should be under the jurisdiction of the Court of First Instance.

Issues:

1. Whether the City Court of Manila, Branch II, had jurisdiction over the complaint for the refund.
2. Whether the action filed by Samson was one for specific performance or for a sum of money.

Court's Decision:

The Supreme Court ruled that the City Court of Manila did not have jurisdiction over the complaint and reversed the lower court's order.

Issue 1: Jurisdiction of the City Court

The Supreme Court held that the City Court of Manila did not have jurisdiction over the complaint since the nature of the action was for specific performance, which falls under the jurisdiction of the Court of First Instance.

Issue 2: Nature of the Action

The Court identified the action as one for specific performance and not merely a sum of money. Although Samson's complaint was for a refund amounting to P4,820.00, this claim was contingent upon Samson proving that he had met the specific contractual conditions (construction and painting completion). Hence, the primary issue was not the payment of money but whether the conditions were satisfied, making it a case of specific performance not capable of pecuniary estimation.

Doctrine:

The case reiterates the principle that actions for specific performance, where the obligation arises upon completion of certain conditions, are not purely for a sum of money and are classified as actions incapable of pecuniary estimation. Such cases are within the exclusive jurisdiction of the Court of First Instance.

Class Notes:

- Specific Performance: A legal remedy where the court requires a party to perform a specific act, usually what is stated in a contract.
- Jurisdiction: The authority granted to a legal body to administer justice within a defined field of responsibility.
- Capable of Pecuniary Estimation: Cases where the primary relief sought is monetary and can be measured in financial terms. Usually within lower courts' jurisdiction.
- Civil Case Jurisdiction: Precedent established that actions requiring determination of conditions precedent to monetary claims fall under the higher court's jurisdiction.

Key Elements:

1. The nature of remedies (specific performance vs. monetary claims).
2. The determination of conditions precedent in contracts.
3. Jurisdictional limits based on the amount of claim and type of relief.

Historical Background:

During the 1970s, the Philippine judiciary was under a mandate to streamline the adjudication process and clarify jurisdictional boundaries between various court levels. This

case is situated within an economic environment where real estate transactions and property development were contributing significantly to urban expansion, necessitating judicial clarity on contractual disputes related to property development.

This case underscores the judiciary's role in maintaining the rule of law in commercial transactions and safeguarding proper legal procedures in contractual obligations and disputes.