

### Title:

**\*\*Drs. Reynaldo Ang and Susan Cucio-Ang vs. Rosita de Venecia, et al.\*\***

### Facts:

Drs. Reynaldo Ang and Susan Cucio-Ang owned a residential house in Makati City. In 2008, their neighbor, Angel Margarito D. Caramat, Jr., began the construction of a five-story commercial building on an adjacent lot. By 2009, the Angs observed damages in their property, attributed to the excavation and construction activities next door. They sought barangay mediation and later approached the City Engineer of Makati when Angel and his contractor, represented by Jose Mari B. Soto, failed to undertake comprehensive repairs. Subsequent requests for action were ignored, prompting the Angs to file Civil Case No. 09-510 against Angel, Soto, additional individuals involved, and the City Engineer's Office.

The case went to pre-trial, and presentation of evidence commenced. However, following OCA Circular No. 111-2014 mandating referral of construction disputes to the Construction Industry Arbitration Commission (CIAC), the trial court suspended proceedings and eventually dismissed the case for CIAC resolution. The Angs filed motions to retain jurisdiction and reconsider, both denied by the trial court.

### Issues:

1. Whether the CIAC has jurisdiction over an ordinary civil case for damages filed by a non-party to a construction contract.
2. Whether the trial court erred in dismissing the suit and referring it to the CIAC.

### Court's Decision:

The Supreme Court granted the Angs' petition, annulling the trial court's dismissal and reinstating Civil Case No. 09-510. The decision was based on the CIAC's jurisdiction being limited to disputes arising directly from or connected with construction contracts between the parties involved in such contracts. The Angs' case, grounded in damage claims due to construction activities and not a contractual dispute, did not fall within the CIAC's scope. There was no construction contract between the Angs and the respondents, and the Angs did not agree to arbitration. Thus, jurisdiction properly resided with the trial court.

### Doctrine:

This case reiterated the doctrine that the jurisdiction of the CIAC is confined to disputes arising from or connected with construction contracts entered into by parties involved in construction in the Philippines, who agree to submit their disputes to arbitration. It also

emphasized that not all disputes that may involve construction activities automatically fall within the CIAC's jurisdiction.

**### Class Notes:**

- The CIAC's jurisdiction is exclusive and pertains only to disputes from construction contracts with arbitration agreed upon by the parties.
- Non-party damage claims due to construction activities do not fall under the CIAC's mandate.
- A trial court can decide on matters outside CIAC's specific arbitration jurisdiction, especially in cases involving property damages not directly tied to a construction contract dispute.
- Trial courts have mechanisms (e.g., expert testimony, appointment of commissioners) to deal with technical aspects related to construction in civil cases.

**### Historical Background:**

This case highlights the judicial interpretation of the extent of CIAC's jurisdiction, established under Executive Order No. 1008. It underscores the balance between the need for specialized arbitration in the construction industry and the traditional court system's role in adjudicating civil disputes not arising from contractual obligations within that industry.