

**ORTIGAS & COMPANY, LIMITED PARTNERSHIP, PETITIONER,  
VS. COURT OF APPEALS, HON. JESUS G. BERSAMIRA AS JUDGE-RTC  
OF PASIG CITY, BRANCH 166 AND THE CITY OF PASIG,  
RESPONDENTS.**

*G.R. No. 129822. June 20, 2012*

Ponente: ABAD, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-129822/>

---

**ABAD, J.:**

This case resolves the question of jurisdiction of the Regional Trial Court over a complaint filed against a subdivision owner.

**The Facts and the Case**

Petitioner Ortigas & Company, Limited Partnership (Ortigas), a realty company, developed the Ortigas Center that straddled the three cities of Mandaluyong, Quezon, and Pasig. This case concerns the Pasig City side of the commercial district known as the Ortigas Center, known in 1969 as Capitol VI Subdivision.

In 1994 respondent City of Pasig (the City) filed a complaint against Ortigas and Greenhills Properties, Inc. (GPI) for specific compliance before the Regional Trial Court (RTC) of Pasig in Civil Case 64427. The City alleged that Ortigas failed to comply with Municipal Ordinance 5, Series of 1966 (MO 5) which required it to designate appropriate recreational and playground facilities at its former Capitol VI Subdivision (regarded as a residential site), now the Pasig City side of the Ortigas Center. Further, the City alleged that despite the fact that the plan was only approved by the Municipal Council as to layout, petitioner proceeded to develop the property without securing a final approval.

The City impleaded GPI as the party to whom Ortigas sold a piece of property within the subdivision.

In answer, Ortigas alleged that its development plan for the subject land was for a commercial subdivision, outside the scope of MO 5 that applied only to residential subdivisions; that the City cannot assail the validity of that development plan after its approval 25 years ago. Its development plan had been approved: (1) by the Department of Justice through the Land Registration Commission on June 16, 1969; (2) by the Municipal Council of Pasig under Resolution 128 dated May 27, 1969; and (3) by the Court of First Instance of Rizal, Branch 25 in its Order dated July 11, 1969.

Ortigas further alleged that only in 1984, 15 years after the approval of its plan, that the National Housing Regulatory Commission imposed the open space requirement for commercial subdivisions through its Rules and Regulations for Commercial Subdivision and Commercial Subdivision Development.

The case was heard on pre-trial but before it could be terminated, on January 23, 1996 Ortigas filed a motion to dismiss the case on the ground that the RTC had no jurisdiction over it, such jurisdiction being in the Housing and Land Use Regulatory Board (HLURB) for unsound real estate business practices.

On April 15, 1996 the RTC denied the motion to dismiss.[1] It held that HLURB's jurisdiction pertained to disputes arising from transactions between buyers, salesmen, and subdivision and condominium developers. In this case, the City is a local government unit seeking to enforce compliance with a municipal ordinance, an action that is not within the scope of the disputes cognizable by the HLURB. With the denial of its motion for reconsideration on August 7, 1996, Ortigas filed a petition for certiorari before the Court of Appeals (CA) to challenge the RTC's actions.

On February 18, 1997 the CA rendered judgment, affirming the RTC's denial of the motion to dismiss.[2] The appellate court ruled that the City sought compliance with a statutory obligation enacted "to promote the general welfare (Section 16, Local Government Code) which invariably includes the preservation of open spaces for recreational purposes." [3] Since the City was not a buyer or one entitled to refund for the price paid for a lot, the dispute must fall under the jurisdiction of the RTC pursuant to Section 19 of The Judiciary Reorganization Act of 1980.[4]

The CA denied Ortigas' motion for reconsideration on June 27, 1997, prompting it to file the present petition for review.

#### The Issue Presented

The sole issue in this case is whether or not the CA erred in affirming the lower court's ruling that jurisdiction over the City's action lies with the RTC, not with the HLURB.

#### The Court's Ruling

Ortigas maintains that the HLURB has jurisdiction over the complaint since a land developer's failure to comply with its statutory obligation to provide open spaces constitutes unsound real estate business practice that Presidential Decree (P.D.) 1344 prohibits. Executive Order 648 empowers the HLURB to hear and decide claims of unsound real estate business practices against land developers.

Ultimately, whether or not the HLURB has the authority to hear and decide a case is determined by the nature of the cause of action, the subject matter or property involved, and the parties.[5] Section 1 of P.D. 1344[6] vests in the HLURB the exclusive jurisdiction to hear and decide the following cases:

- (a) unsound real estate business practices;
- (b) claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker, or salesman; and
- (c) cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lots or condominium units against the owner, developer, dealer, broker or salesman.

Unlike paragraphs (b) and (c) above, paragraph (a) does not state which party can file a claim against an unsound real estate business practice. But, in the context of the evident objective of Section 1, it is implicit that the "unsound real estate business practice" would, like the offended party in paragraphs (b) and (c), be the buyers of lands involved in development. The policy of the law is to curb unscrupulous practices in real estate trade and business that prejudice buyers.

This position is supported by the Court's statement in *Delos Santos v. Sarmiento*[7] that not every case involving buyers and sellers of subdivision lots or condominium units can be filed with the HLURB. Its jurisdiction is limited to those cases filed by the buyer or owner of a subdivision lot or condominium unit and based on any of the causes of action enumerated in Section 1 of P.D. 1344.

Obviously, the City had not bought a lot in the subject area from Ortigas which would give it a right to seek

HLURB intervention in enforcing a local ordinance that regulates the use of private land within its jurisdiction in the interest of the general welfare. It has the right to bring such kind of action but only before a court of general jurisdiction such as the RTC.

WHEREFORE, the Court DISMISSES the petition, AFFIRMS the Court of Appeals Decision in CA-G.R. SP 42270 dated February 18, 1997, and ORDERS the Regional Trial Court of Pasig City, Branch 166, to hear and decide the case before it with deliberate dispatch.

**SO ORDERED.**

Peralta, (Acting Chairperson),[\*] Bersamin,\*\*]Villarama, Jr.,\*\*\*] and Perlas-Bernabe, JJ., concur.

---

[\*] Per Special Order 1228 dated June 6, 2012.

\*\*] Designated Acting Member in lieu of Associate Justice Jose Catral Mendoza, per Special Order 1241 dated June 14, 2012.

\*\*\*] Designated Acting Member in lieu of Associate Justice Presbitero J. Velasco, Jr., per Special Order 1229 dated June 6, 2012.

[1] Rollo, pp. 75-77.

[2] Penned by Justice Antonio M. Martinez (who later on became a Member of the Court from 1997-1999), with the concurrence of Justices Eduardo G. Montenegro and Celia Lipana-Reyes, id. at 50-55.

[3] Id. at 53.

[4] Sec. 19. Jurisdiction in Civil Cases. – Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x x

(6) In all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising judicial or quasi-judicial functions; x x x.

[5] Peralta v. De Leon, G.R. No. 187978, November 24, 2010, 636 SCRA 232, 243.

[6] “Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision under Presidential Decree No. 957.”

[7] G.R. No. 154877, March 27, 2007, 519 SCRA 62, 75.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.