

MA. LOUISA T. QUE, PETITIONER, VS. COURT OF APPEALS, RTC-BR. 158, PASIG CITY, AND NICOLAAS J. KLAVER, RESPONDENTS.*G.R. No. 135442. August 31, 2000*

Ponente: BELLOSILLO, J.

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NICOLAAS JOHANNES KLAVER, private respondent, entered into a Contract to Sell with Golden Dragon Real Estate Corporation (GDREC) on 4 August 1992 involving Unit No. 1902-A of the Wack Wack Twin Towers. After paying the full purchase price, he executed a Conditional Deed of Sale over the same unit in favor of petitioner Ma. Louisa T. Que.

On 11 September 1995 respondent Klaver filed a Complaint for specific performance and damages against petitioner Que before the Regional Trial Court of Pasig City[1] for alleged violation of the provisions of their contract, referring primarily to her failure to pay the full purchase price and her taking possession of the property without his consent.

On 11 October 1995 Klaver amended his Complaint by impleading GDREC and its officers Juan Miguel Vasquez and Mariel R. Cruz. As amended, he also sought to recover damages from them and for Que to surrender possession of the unit to GDREC which, in turn, should execute an Absolute Deed of Sale in his favor.

On 6 November 1995 Que filed a Motion to Dismiss on the ground that the amendment to the original Complaint impleading GDREC as additional defendant transformed the case to one cognizable by the Housing and Land Use Regulatory Board (HLURB), and since the claim against her was merely incidental, it must be resolved by the HLURB together with the claim against GDREC.

On 16 November 1995 Klaver filed a Manifestation seeking the dismissal without prejudice of his Complaint against GDREC, Vasquez and Cruz. Subsequently, he moved to file an Amended Complaint.

On 17 November 1995 Klaver lodged a Complaint with the HLURB against GDREC and its officers for unsound real estate practices consisting mainly in their unwarranted delay in the delivery of Unit No. 1902-A to him.[2] On 29 January 1996 GDREC filed a Third Party Complaint against Que on account of her alleged previous undertaking to assume responsibility for any and all claims which could arise on account of the transfer of possession of the unit to her. Que asserted in her Answer that she had fully paid, if not overpaid, for the unit such that Klaver had lost all rights over it. She counterclaimed for damages against him.

Going back to the case pending before the trial court, Que filed her Comment to Klaver's Manifestation contending that upon the previous amendment of the complaint which included GDREC as co-defendant, the trial court ipso facto lost jurisdiction over the case and, corollarily, authority to entertain his Manifestation.

In its order of 8 May 1996 the trial court dismissed without prejudice the amended Complaint against GDREC, Vasquez and Cruz, denied Que's Motion to Dismiss, granted Klaver's Motion to File Amended Complaint, and admitted the Amended Complaint solely against Que.[3] On 26 July 1996 the lower court denied reconsideration.

Que questioned the Orders of 8 May 1996 and 26 July before the Court of Appeals in a Petition for Certiorari.[4] On 29 May 1998 the Court of Appeals denied Que's petition and rejected her motion for reconsideration on 18 September 1998.

Is the trial court vested with jurisdiction over the case filed by Klaver against Que despite the inclusion of GDREC and its officers in the Amended Complaint?

Que alleges that when Klaver amended his Complaint for the first time, his original Complaint was deemed superseded. It disappeared from the records of the case.[5] She thus argues that Klaver's cause of action in his first Amended Complaint, being one for specific performance against GDREC, was beyond the jurisdiction of the trial court but vested in the HLURB. The trial court could not have validly acquired jurisdiction over her alone to the exclusion of GDREC because both parties are indispensable for a complete resolution of the case. She further argues that when Klaver amended his Complaint the second time, his evident purpose was to confer jurisdiction anew on the trial court over his cause of action against her. She then invites attention to the circumstance that Klaver's Complaint before the HLURB was dismissed on 1 August 1996.[6] The HLURB found that Klaver had in fact been overpaid by Que amounting to P100,000.00. This ruling was affirmed by the HLURB on 12 January 1998[7] and by the Office of the President on 15 December 1999.[8] The case is now pending before the Court of Appeals.[9] On these accounts, she submits that this Court should not allow the case before the trial court to proceed.

Klaver contends on the other hand that upon the filing of the original Complaint the trial court acquired jurisdiction over the subject matter thereof which jurisdiction continued with the filing of the first Amended Complaint that substantially reproduced the same causes of action against Que, i.e., specific performance and damages. He maintains that inasmuch as his cause of action against Que was independent of the cause of action against GDREC, the inclusion of GDREC in the first Amended Complaint merely resulted in misjoinder of a cause of action and party which he remedied by dropping GDREC from the case before the trial court and proceeding only against Que.[10]

The petition must be denied. It is settled that jurisdiction of courts over the subject matter of the litigation is conferred by law and determined by the allegations in the complaint.[11] Klaver's original Complaint contained the following pertinent allegations: (a) Klaver and Que agreed that possession of Unit 1902-A would be transferred to Que only upon full payment of the purchase price not later than 31 May 1995; (b) Sometime in February 1995 Que was able to get the keys of the unit from GDREC without the knowledge and written permission of Klaver and started making improvements on the premises; and, (c) Que unilaterally decided to withhold payment of the full purchase price.[12] Klaver thus prayed that (a) Que be ordered to vacate the unit; (b) the amount of P200,000.00 Que previously paid be forfeited in his favor; (c) Que be declared a builder in bad faith and that the improvements she had introduced on the premises be retained by him without indemnification; and, (d) Que be ordered to pay damages, attorney's fees and costs of suit. Undoubtedly, Klaver's Complaint against Que for specific performance and damages was within the jurisdiction of the trial court.

Subsequently, Klaver amended his Complaint to implead GDREC and its officers. In determining whether a different cause of action is introduced by amendments to the complaint, what must be ascertained is whether the defendants shall be required to answer for a liability or legal obligation wholly different from that stated in the original complaint. An amendment will not be considered as stating a new cause of action if the fact alleged in the amended complaint shows substantially the same wrong with respect to the same matter but is more fully and differently stated, or where averments which were implied are made express, or the subject of the controversy or the liability sought to be enforced remains the same.[13]

The amended Complaint against GDREC and its officers made the following material allegations: (a) The true intent and agreement of the parties to the contract to sell was that the sale of the unit would include two (2) parking lots; and, (b) Despite the clear import of the contract to sell, GDREC failed to deliver the premises to Klaver and arbitrarily turned over the possession of the unit to Que.

On the other hand, the first and second amended Complaints with regard to Que alleged substantially the same causes of action as the original Complaint. Consequently, we agree with Klaver and the Court of Appeals that the trial court's jurisdiction continued even with the first and second amendments of his Complaint because the amended Complaints averred substantially the same causes of action against Que.

Also worth noting is that the Complaint against Que is distinct from the Complaint against GDREC and its officers before the HLURB. The first basically pertains to non-performance by the buyer of her obligations to Klaver, whereas the second deals with non-performance by the seller of its own obligations to the buyer, such that Klaver properly sued them before different fora. Jurisdiction once acquired is not lost upon the instance of the parties but continues until the case is terminated.[14]

Viewed from another perspective, we start our analysis with the original Complaint of Klaver against Que which, as aforementioned, was within the jurisdiction of the trial court. The first amended Complaint alleged substantially the same causes of action against Que and new causes of action against GDREC and its officers. Insofar as the causes of action directed against Que are concerned, they are still within the jurisdiction of the trial court. Yet, with regard to the causes of action against GDREC and its officers, the HLURB had competence over them pursuant to Sec. 1, PD 1344, "Empowering the National Housing Authority to issue Writ of Execution in the Enforcement of its Decision under Presidential Decree No. 957." At any rate, the filing of the first amended Complaint did not result in ousting the trial court of its jurisdiction over the entire case because it retained jurisdiction over the cause of action filed against Que.

In the analogous case of *Espejo v. Malate*,^[15] two (2) issues were alleged in the original Complaint before the then Court of First Instance: the principal one, the issue of ownership over the land in dispute, and the secondary but no less important one, the issue of who has prior possession thereof. The Court ruled that the trial court had no jurisdiction over the first issue, the land being public land, but the trial court had jurisdiction over the second issue of prior possession. The trial court explained -

x x x x The issue of who has the prior possession being unmistakably alleged in the original complaint, the trial court acquired jurisdiction over the case insofar as said issue is concerned x x x x

The trial court having acquired jurisdiction over the subject matter as well as over the nature of the action on the original complaint, it could validly issue an order to amend the original complaint. The deletion of the issue of ownership from the original complaint and the amended complaint having limited the issue to prior possession did not substantially alter the theory of the complainant x x x x

Besides, a superficial examination of the original complaint and the amended complaint would show that both pleadings are virtually identical x x x x

However, we observe that in the proceedings before the HLURB, Que argued that Klaver sold to her two (2) parking lots such that his delivery to her of only one (1) parking lot justified her refusal to pay the balance of the purchase price for the unit. The HLURB resolved this issue in this manner -

Complainant (private respondent) has clearly failed to deliver or place under the control of Mrs. Que the second parking lot mentioned in the Conditional Deed of Sale. As such, Mrs. Que has the right to rescind the contract or demand a reduction of the price pursuant to Art. 1530 of the Civil Code. When the purchase price in the Conditional Deed of Sale is accordingly reduced through the subtraction of the value of the undelivered

parking lot which has been estimated at P350,000.00, Mrs. Que would even have overpaid the purchase price even without having to pay the last amortization of P250,000.00, and would thus have acquired ownership of all rights pertaining to condominium unit No. 1902-A, and thus, she should not be disturbed in her possession of unit No. 1902-A x x x x[16]

The ruling was thereafter affirmed by the HLURB with modification by imposing a fine of P10,000.00 on GDREC for violation of Secs. 17, 18 and 25[17] of PD 957, "The Subdivision and Condominium Buyers' Protective Decree." The Office of the President sustained the HLURB. This case is now pending before the Court of Appeals.

Klaver's causes of action against Que before the Regional Trial Court of Pasig City involve the following: (1) Que and Klaver agreed that possession of the unit would be transferred to Que only upon full payment of the purchase price not later than 31 May 1995; (2) Sometime in February 1995 Que got the keys of the unit from GDREC without the knowledge and written permission of Klaver and started making improvements on the premises; and, (3) Que unilaterally decided to withhold payment of the full purchase price. Klaver prayed that: (a) Que be ordered to vacate the unit; (b) the amount of P200,000.00 Que had previously paid be forfeited in his favor; (c) Que be declared a builder in bad faith and that the improvements she had introduced on the premises be retained by him without indemnification; and, (d) Que be ordered to pay damages, attorney's fees and costs of suit.

There is no question that the case still being litigated before the Court of Appeals from the decision of the HLURB and the Office of the President is prejudicial to the case pending before the trial court. An affirmance by the appellate court or by this Court of the HLURB ruling with respect specifically to the right of Que to possess and own Unit 1902-A would warrant the dismissal of the case before the trial court. But if the final ruling in the HLURB case were otherwise, the trial court could then proceed to resolve Klaver's prayers therein. Thus, although we affirm the ruling of the Court of Appeals on the jurisdiction of the trial court over the case filed by Klaver against Que, resolution thereon by the trial court on the merits should be held in abeyance until the issues presented in the HLURB case shall have been finally settled.

WHEREFORE, the petition is DENIED. The Decision of the Court of Appeals of 29 May 1998 which affirmed the Order of the Regional Trial Court of Pasig City-Br. 158 dismissing without prejudice the Amended Complaint against Golden Dragon Real Estate Corporation and its officers; denying petitioner Ma. Louisa T. Que's Motion to Dismiss; granting private respondent Nicolaas J. Klaver's Motion for Leave to File Amended Complaint and admitting his Amended Complaint, as well as the Court of Appeals' Resolution of 18 September 1998 which denied reconsideration are AFFIRMED, with the MODIFICATION that the trial court is directed to defer action on Civil Case No. 65287 instituted by private respondent against petitioner until the HLURB case shall have been finally resolved. No costs.

SO ORDERED.

Mendoza, Quisumbing, Buena and De Leon, Jr., JJ., concur.

[1] Civil Case No. 65287.

[2] HLURB Case No. REM-111795-8744.

[3] Order issued by Judge Jose R. Hernandez, RTC-Br. 158, Pasig City; Rollo, pp. 204-206.

[4] Decision penned by Justice Eugenio S. Labitoria, concurred in by Justices Marina L. Buzon and Candido V. Rivera; Rollo, pp. 56 and 57.

- [5] *Insular Veneer, Inc. v. Plan*, No. L-40155, 10 September 1976, 73 SCRA 1; *Paradise Sauna Massage Corporation v. Ng*, G. R. No. 66394, 5 February 1990, 181 SCRA 719.
- [6] Annex “L,” Petition; Rollo, p. 164.
- [7] Annex “S,” Petition; Rollo, p. 327.
- [8] Annex “A,” Petitioner’s Memorandum; Rollo, p. 1112.
- [9] Petitioner’s Memorandum, p. 22; Rollo, p. 1101.
- [10] *Union Glass and Container Corporation v. SEC*, G. R. No. 64013, 28 November 1983, 126 SCRA 31.
- [11] *Javelosa v. Court of Appeals*, G. R. No. 124292, 10 December 1996, 265 SCRA 493; *Amigo v. Court of Appeals*, G. R. No. 102833, 9 February 1996, 253 SCRA 382; *Abrin v. Campos*, G. R. No. 52740, 12 November 1991, 203 SCRA 420.
- [12] Complaint, pp. 3 and 6; Rollo, pp. 62 and 65.
- [13] *Rubio v. Mariano*, No. L-30404, 31 January 1973, 49 SCRA 319; *Espejo v. Malate*, No. L-48612, 27 January 1983, 120 SCRA 269.
- [14] *Robles v. HRET*, G. R. No. 86647, 5 February 1990, 181 SCRA 780.
- [15] See Note 13.
- [16] HLURB Decision, p. 6; Rollo, p. 169.
- [17] Referring to registration of contracts to sell and other similar instruments, mortgages and issuance of title.

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