

HLC CONSTRUCTION AND DEVELOPMENT CORPORATION AND HENRY LOPEZ CHUA, PETITIONERS, VS. EMILY HOMES SUBDIVISION HOMEOWNERS ASSOCIATION (EHSOA), LUCIO ABBOT, JAIME ABRIS, MARINA ACUÑA...

G.R. No. 139360. September 23, 2003

Ponente: CORONA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-139360/>

CORONA, J.:

Assailed in the instant petition for certiorari under Rule 65[1] of the Rules of Court is the March 15, 1999 order[2] of the Regional Trial Court of Davao del Sur, Branch 19, denying the motion to dismiss of petitioners HLC Construction and Development Corporation and Henry Lopez Chua, on the ground of lack of jurisdiction and a defective certification against non-forum shopping.

Respondents Emily Homes Subdivision Homeowners Association (EHSOA) and the 150 individual members thereof filed on October 21, 1998 a civil action for breach of contract, damages and attorney's fees with the Regional Trial Court of Davao del Sur, Branch 19, against petitioners, the developers of low-cost housing units like Emily Homes Subdivision. Respondents alleged that petitioners used substandard materials in the construction of their houses, like coco lumber and termite-infested door jambs. Petitioners furthermore allegedly did not adhere to the house plan specifications because the ceiling lines were sagging and there were "deviations from the plumb line of the mullions, door jams (sic) and concrete columns." [3] Respondents asked petitioners to repair their defective housing units but petitioners failed to do so. Respondents had to repair their defective housing units using their own funds. Hence, they prayed for actual and moral damages arising from petitioners' breach of the contract plus exemplary damages and attorney's fees.

On December 11, 1998, petitioners filed a motion to dismiss the complaint, claiming that it was the Housing and Land Use Regulatory Board (HLURB) and not the trial court which had jurisdiction over the case. They also cited the defective certification on non-forum shopping which was signed only by the president of EHSOA and not by all its members; such defect allegedly warranted the dismissal of the complaint. The trial court denied petitioners' motion to dismiss on the ground that the case fell within its jurisdiction, not with the HLURB, and that respondents' certificate of non-forum shopping substantially complied with Rule 7, Section 5 of the 1997 Rules of Civil Procedure. It also denied petitioners' motion for reconsideration.

Aggrieved, petitioners filed the instant petition for certiorari, alleging that the trial court committed grave abuse of discretion amounting to lack or in excess of jurisdiction in holding (1) that the case between petitioners and respondents fell within the jurisdiction of the civil courts and (2) that respondents had substantially complied with the rules on forum shopping despite the fact that only one of the 150 respondents had signed the certificate therefor.

Petitioners are correct that the case between them and respondents fell within the jurisdiction of the HLURB, not the trial court. However, we cannot sustain petitioners' contention that respondents' certificate of non-forum

shopping was defective, thus allegedly warranting the outright dismissal thereof by the trial court.

The general rule is that the certificate of non-forum shopping must be signed by all the plaintiffs in a case and the signature of only one of them is insufficient.[4] However, the Court has also stressed that the rules on forum shopping were designed to promote and facilitate the orderly administration of justice and thus should not be interpreted with such absolute literalness as to subvert its own ultimate and legitimate objective.[5] The strict compliance with the provisions regarding the certificate of non-forum shopping merely underscores its mandatory nature in that the certification cannot be altogether dispensed with or its requirements completely disregarded. It does not thereby prohibit substantial compliance with its provisions under justifiable circumstances.[6]

Thus in the recent case of *Cavile, et al. vs. Heirs of Clarita Cavile, et al.*, [7] we ruled:

[T]he execution by Thomas George Cavile, Sr., in behalf of all the other petitioners of the certificate of non-forum shopping constitute substantial compliance with the Rules. All the petitioners, being relatives and co-owners of the properties in dispute, share a common interest thereon. They also share a common defense in the complaint for partition filed by respondents. Thus, when they filed the instant petition, they filed it as a collective, raising only one argument to defend their rights over the properties in question. There is sufficient basis, therefore, for Thomas George Cavile, Sr. to speak for and in behalf of his co-petitioners that they have not filed any action or claim involving the same issues in another court or tribunal, nor is there other pending action or claim in another court or tribunal involving the same issues. Moreover, it has been held that the merits of the substantive aspects of the case may be deemed as "special circumstances" for the Court to take cognizance of a petition for review although the certification against forum shopping was executed and signed by only one of the petitioners.

The above ruling is squarely applicable to the present case. Respondents (who were plaintiffs in the trial court) filed the complaint against petitioners as a group, represented by their homeowners' association president who was likewise one of the plaintiffs, Mr. Samaon M. Buat. Respondents raised one cause of action which was the breach of contractual obligations and payment of damages. They shared a common interest in the subject matter of the case, being the aggrieved residents of the poorly constructed and developed Emily Homes Subdivision. Due to the collective nature of the case, there was no doubt that Mr. Samaon M. Buat could validly sign the certificate of non-forum shopping in behalf of all his co-plaintiffs. In cases therefore where it is highly impractical to require all the plaintiffs to sign the certificate of non-forum shopping, it is sufficient, in order not to defeat the ends of justice, for one of plaintiffs, acting as representative, to sign the certificate provided that, as in *Cavile et al.*, the plaintiffs share a common interest in the subject matter of the case or filed the case as a "collective," raising only one common cause of action or defense.

In any case, even if it was correct for the trial court to rule that respondents had substantially complied with the rules on forum shopping and thus, their complaint before it should not be dismissed, we find that the trial court should have nonetheless dismissed the complaint for a more important reason — it had no jurisdiction over it. It is the HLURB, not the trial court, which had jurisdiction over respondents' complaint. The HLURB[8] is the government agency empowered to regulate the real estate trade and business, having exclusive jurisdiction to hear and decide cases involving:

(a)

unsound real estate business practices;

(b)

claims involving refunds and any other claims filed by subdivision lot or condominium unit buyers against the

project owner, developer, dealer, broker or salesman;

(c)

and 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.[9]

In this case, respondents' complaint was for the reimbursement of expenses incurred in repairing their defective housing units constructed by petitioners. Clearly, the HLURB had jurisdiction to hear it. In the case of *Arranza vs. B.F Homes, Inc.*,[10] this Court ruled that:

xxx the HLURB has jurisdiction over complaints arising from contracts between the subdivision developer and the lot buyer or those aimed at compelling the subdivision developer to comply with its contractual and statutory obligations to make the subdivision a better place to live in.[11]

The fact that the subject matter of the complaint involved defective housing units did not remove the complaint from the HLURB's jurisdiction. The delivery of habitable houses was petitioners' responsibility under their contract with respondents. The trial court should have granted the motion to dismiss filed by petitioners so that the issues therein could be expeditiously heard and resolved by the HLURB.

WHEREFORE, the petition is hereby GRANTED. The March 15, 1999 order of the Regional Trial Court of Davao del Sur, Branch 19, denying the petitioners' motion to dismiss, is ANNULLED and Civil Case No. 3731 before it (trial court) is hereby DISMISSED for lack of jurisdiction. This is without prejudice to the re-filing of the respondents' complaint in the HLURB.

SO ORDERED.

Puno, (Chairman), Panganiban, Sandoval-Gutierrez, and Carpio-Morales, JJ., concur.

[1] Given due course by this Court on September 27, 2000; Rollo, p. 51.

[2] Penned by Judge Hilario I. Mapayo.

[3] Complaint, Rollo, pp. 20, 25.

[4] *Loquias vs. Office of the Ombudsman*, 388 SCRA 62 [2000]; *Docena vs. Lapesura*, 355 SCRA 658 [2001].

[5] *BPI vs. Court of Appeals*, G.R. No. 146923, April 30, 2003; *Cavile et al., vs. Heirs of Clarita Cavile, et al.*, G.R. No. 148635, April 1, 2003; *Twin Towers Condominium Corporation vs. Court of Appeals*, G.R. No. 123552, February 27, 2003.

[6] *Cavile et al., vs. Heirs of Clarita Cavile, et al.*, G.R. No. 148635, April 1, 2003.

[7] *Ibid.*

[8] Formerly the Human Settlements Regulatory Commission (HSRC), it was renamed Housing and Land Use Regulatory Board (HLURB) by virtue of Executive Order No. 90 dated December 17, 1986. The regulatory and quasi-judicial functions of the National Housing Authority (NHA) were transferred to it by virtue of Executive Order No. 648 dated February 7, 1981.

[9] Presidential Decree No. 957 (The Subdivision and Condominium Buyers' Protective Decree), as amended by

Presidential Decree No. 1344 (Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision under Presidential Decree No. 957).

[10] 333 SCRA 799, 817 [2000].

[11] Ibid. at p. 814.

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.