

SPS. CARLOS J. SUNTAY AND ROSARIO R. SUNTAY, PETITIONERS, VS. EUGENIA D. GOCOLAY AND DUNSTAN T. SAN VICENTE, RESPONDENTS.*G.R. NO. 144892. September 23, 2005*

Ponente: CORONA, J.

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This petition for review on certiorari under Rule 45 challenges the decision of the Court of Appeals (CA)[1] dated June 22, 2000 dismissing spouses Carlos and Rosario Suntay's petition for certiorari, and its Resolution[2] dated August 29, 2000 denying petitioners' motion for reconsideration (MR).

The facts are undisputed.[3]

Petitioners and private respondent were buyers of condominium units from Bayfront Development Corporation (Bayfront). Petitioners paid in advance the full amount for their units. Bayfront, however, failed to deliver them despite the due date stated in their contract to sell.[4] Failing to get a reimbursement from Bayfront, petitioners filed an action against it in the Housing and Land Use Regulatory Board (HLURB)[5] for violation of PD 957 and PD 1344, rescission of contract, sum of money and damages.

The case, docketed as HLRB Case No. REM-102193-5625, was decided in favor of petitioners. Bayfront's titled properties, including the subject condominium Unit G and two parking slots in its name with Condominium Certificate of Title (CCT) Nos. 15802 and 15813, were levied on by the sheriffs of the Regional Trial Court of Manila. At the subsequent public auction of Bayfront's properties, petitioners were the highest bidders. The corresponding certificate of sale was issued on March 1, 1995 and was annotated at the back of CCT No. 15802. The sheriff's final deed of sale was executed on April 16, 1996. CCT No. 34250-A was thereafter issued in favor of petitioners.

On the other hand, private respondent Eugenia Gocolay, chairperson and president of Keyser Mercantile Co., Inc. (Keyser), claims that she entered into a contract to sell with Bayfront for the purchase on installment basis of the same Unit G, among others. She completed her payments in 1991 but Bayfront executed the deed of absolute sale and delivered CCT No. 15802 only on November 9, 1995. (This was the same CCT No. 15802 on which were annotated the notice of levy and certificate of sale in favor of petitioners. It was in fact already cancelled and replaced by CCT No. 34250-A in the name of petitioners).

Gocolay was about to transfer CCT No. 15802 to Keyser when she discovered the annotations of notice of levy and certificate of sale at the back of the said title. She was nevertheless issued CCT No. 26474 in the name of Keyser on March 12, 1996 with the annotations in favor of petitioners being carried over.

Gocolay filed before the Expanded National Capital Regional Field Office of the HLURB a complaint for annulment of auction sale and cancellation of notice of levy from her title. This was docketed as HLRB Case No. REM-032196-9152.

On November 18, 1996, HLURB arbiter Abraham Vermudez disposed of the case as follows:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered as follows:

- Declaring the sale by public auction over the [Gocolay's] property null and void, and in the event that the said property has already been transferred in the name of [the Suntays], said transfer is likewise hereby declared null and void;
- Ordering the Register of Deeds of Manila to cancel the notice of levy annotated in CCT No. 15802 and in CCT No. 15813 and transfer the same in the name of [Gocolay];
- Permanently enjoining the [Suntays] and the public respondents from transferring the property in question to [the Suntays];
- Ordering the [Suntays] to pay [Gocolay] moral damages in the amount of P100,000.00 and actual damages in the form of unearned rental income computed at the rate of P94,064.25 a month which starts from February 1, 1996 until the same is fully paid and to pay [Gocolay] the amount of P50,000.00 by way of attorney's fees.

On June 11, 1999, public respondent, HLURB arbiter Dunstan San Vicente, ordered the issuance of a writ of execution pursuant to the decision in HLRB Case No. REM-032196-9152.

When the case reached the appellate court on certiorari, the CA dismissed the Suntays' petition for lack of merit.[6] It likewise denied their MR dated July 17, 2000.[7]

The focal issue before us is: does the HLURB, a quasi-judicial agency, have jurisdiction over an action seeking the annulment of an auction sale, cancellation of notice of levy and damages with prayer for the issuance of a preliminary injunction and/or temporary restraining order?[8]

Invoking Section 1 of PD 1344[9] in relation to PD 957,[10] petitioners assert that respondent's case against them (HLRB Case No. REM-032196-9152) did not fall within the jurisdiction of the HLURB.[11] They posit that, having sprung from an auction sale of levied properties by the city sheriff of Manila, the complaint was exclusively within the jurisdiction of the Regional Trial Court (RTC) pursuant to Section 19 of BP 129, the Judiciary Reorganization Act of 1980. They claim that:

[t]he subject of the action, i.e., for Annulment of Auction Sale, Cancellation of Notice of Levy and Damages with Prayer for the Issuance of Preliminary Injunction and/or Temporary Restraining Order, is one incapable of pecuniary estimation and involves title to or possession of real property, or any interest therein, and therefore, verily, not within the exclusive jurisdiction of any court, tribunal, person, or body exercising judicial or quasi-judicial functions.

It now appears that the impleading of the other parties, like Bayfront and First Golden,[12] who are now forgotten in the case, was merely a technique resorted to by private respondent in order to place the petitioners herein under the purview of HLURB jurisdiction xxx [to] provide both their inclusion in the case and the case itself with a color of legality.

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Since the petitioners are not the developers, but merely purchasers from a legitimate [s]heriff's [p]ublic [a]uction [s]ale, if private respondent Eugenia D. Gocolay had any proper complaint against them, she should have filed her complaint in a regular court with proper jurisdiction. The excuse that the petitioners could not be excluded from the case filed by Gocolay with HLURB because they were among those impleaded with others, is downright nonsensical. There was nothing that could have prevented HLURB Arbiter Vermudez from discriminating among those impleaded [to] put the complaint within the limits of law. If this was done, the case

could have been placed in proper perspective and the real culprit in the mess clearly identified and prosecuted, namely, the developer corporation, Bayfront, or its executives who had absconded and abandoned the project.
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Gocolay maintains otherwise:

[o]bviously missing the point, petitioners are confused by the title of the action arguing, albeit erroneously, that it is within the regular court's jurisdiction to try.... The allegations clearly gave rise to an action against Bayfront when it failed to deliver the condominium unit's title despite full payment of the purchase price. Such non-delivery of title... is certainly an unsound business practice actionable under P.D. 957, as amended.[13] (emphasis ours)

Gocolay faults Bayfront for failing to deliver the titles of Unit G and its parking slots and to register the contract to sell in violation of Section 17 of PD 957:

SEC. 17. Registration. – All contracts to sell, deeds of sale and other similar instruments relative to the sale or conveyance of the subdivision lots and condominium units, whether or not the purchase price is paid in full, shall be registered by the seller in the Office of the Register of Deeds of the province or city where the property is situated. (emphasis ours)

Gocolay claims that, had Bayfront registered the contract to sell, the unit and its parking slots would not have been levied on and auctioned.[14]

Stripped of embellishments, this petition challenges HLURB's jurisdiction over the person of petitioners and the nature of the action in HLRB Case No. REM-032196-9152 which resulted in the following:

(1)

the sale by public auction in favor of petitioners in HLRB Case No. REM-102193-5625 was nullified;

(2)

petitioners were disowned and dispossessed of Unit G and its appurtenant parking slots in Bayfront Tower Condominium, 1642 Mabini St., Malate, Manila;

(3)

the transfer of the titles of Unit G and its parking slots to petitioners was permanently enjoined, and

(4)

the transfer of the titles of Unit G and its parking slots to Gocolay was ordered.

Despite the fact that the HLURB's and the CA's positions appear to jibe, we find strong reasons to disturb their findings and conclusions.

First. The HLURB had no jurisdiction over the spouses Suntay. Section 1 of PD 1344 states the jurisdiction of the HLURB: [15]

SECTION 1. In the exercise of its function to regulate the real estate trade and business and in addition to its power provided for in Presidential Decree No. 957, the [HLURB] shall have exclusive jurisdiction to hear and

decide cases of the following nature:

- Unsound real estate business practices;
- Claims involving refund and any other claims filed by subdivision lot or condominium unit buyers against the project owner, developer, dealer, broker or salesman; and
- Cases involving specific performance of contractual and statutory obligation filed by buyers of subdivision lot/condominium units against the owner, developer, dealer, broker or salesman. (emphasis ours)

Petitioners were condominium buyers, not project/condominium owners, developers, dealers, brokers or salesmen against whom a case cognizable by the HLURB could be brought. Obviously the cause of action (unsound business practice) could not have referred to them since they were mere buyers of a condominium unit, but only to Bayfront as developer of the project. It was therefore error for Gocolay to include petitioners in HLRB Case No. REM-032196-9152 and for the HLURB to take cognizance of the complaint.

Second. The HLURB had no jurisdiction over the issue of ownership, possession or interest in the disputed condominium unit. BP 129 vests jurisdiction over these matters on the RTC which exercises exclusive original jurisdiction:

(1)

in all civil actions in which the subject of the litigation is incapable of pecuniary estimation;

(2)

in all civil actions which involve the titles to, or possession of, real property, or any interest therein... except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;

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(6)

in all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising jurisdiction of any court, tribunal, person or body exercising judicial or quasi-judicial functions.[16]

The decision in HLRB Case No. REM-032196-9152 was in effect a determination of the ownership of the condominium unit because it directed the annulment of the execution sale in HLRB Case No. REM-102193-5625 on which petitioner's title was based. This was clearly incorrect.

The respective preambles of PD 957 and PD 1344 state the intention of the government to curb the unscrupulous practices of project/condominium owners, developers, dealers, brokers or salesmen in the real estate industry. These laws seek to protect hapless buyers victimized by unprincipled realty developers. It was thus completely baseless for Gocolay to implead a real estate buyer like herself before a body like the HLURB which had no authority to determine the ownership of the subject condominium unit.

The decision in HLRB Case No. REM-032196-9152 in effect tried to nullify the judgment in HLRB Case No. REM-102193-5625. This is reprehensible and smacks of either dishonesty or gross ignorance on the part of the

lawyers involved. Any controversy in the execution of a judgment should be referred to the tribunal which issued the writ of execution since it has the inherent power to control its own processes to enforce its judgments and orders.[17] Courts of coequal and coordinate jurisdiction may not interfere with or pass upon each other's orders or processes, except in extreme situations authorized by law.[18] The HLURB arbiters who took cognizance of HLRB Case No. REM-032196-9152 clearly overstepped their authority when they allowed the inclusion of petitioners as co-defendants of Bayfront in a suit that actually sought to determine the liability of real estate developers under PD 957 and PD 1344.

For her part, Gocolay, who was not a party to HLRB Case No. REM-102192-5625, should have resorted to judicial action to protect her interest in the contested properties. Instead, she proceeded against the Suntays before a quasi-judicial body with no jurisdiction over their person or the cause of action.

A long line of cases illustrates how HLURB's jurisdiction has been invoked to regulate the real estate trade and business,[19] and we continue to stress the peculiar nature of the transactions involving subdivisions and condominiums:

PD 957 was promulgated to encompass all questions regarding subdivisions and condominiums. It is aimed at providing for an appropriate government agency, the HLURB, to which all parties aggrieved in the implementation of its provisions and the enforcement of contractual rights with respect to said category of real estate may take recourse.[20] (emphasis ours)

Although we recognize the indispensable role of administrative agencies in today's legal system, the grant of power to adjudicate controversies involving title to or interest in property cannot be lightly inferred or merely implied. Statutes conferring powers on administrative agencies must always be construed according to their legislative intent.

Third. Every action must be prosecuted or defended in the name of the real party in interest, unless otherwise authorized by law or the Rules of Court.[21] Gocolay admitted that she acted in her personal capacity when she entered into the contract to sell with Bayfront and, later on, when she filed a complaint in her name with the HLURB (even if the deed of absolute sale conveying the subject property was in the name of Keyser). Gocolay transferred the titles of Unit G and the parking slots to Keyser after an alleged "internal arrangement" with Bayfront. It, however, remains unclear to us who between Gocolay and Keyser was the real party in interest. In the first place, the records are bereft of basis as to Gocolay's involvement in the case since she claimed the property was Keyser's. Whatever it was, the "internal arrangement" between Gocolay and Bayfront transferring the titles to Keyser did not authorize her to sue on behalf of Keyser. Keyser's interest in the property vis-à-vis Gocolay's was never clarified.

Finally. The CA decision settled this fact: Gocolay was issued CCT No. 26474 to which the annotations of the notice of levy and certificate of sale in favor of the spouses Suntay had been transferred from CCT Nos. 15802 and 15813. Gocolay's claim that the title or ownership of Unit G and its parking slots had been allegedly and wrongfully vested on petitioners was a collateral attack on such title which must be appropriately addressed in a direct proceeding.[22] The HLURB passed upon the issue of title which it could not do and should not have done in view of its limited jurisdiction under PD 957 and PD 1344.

Any decision rendered without jurisdiction is a total nullity and may be struck down at any time, even on appeal before this Court; the only exception is when the party raising the issue is barred by estoppel which is not so in this case.[23]

WHEREFORE, the petition is hereby GRANTED. The orders in HLRB Case No. REM-032196-9152 are hereby set aside.

No costs.

SO ORDERED.

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

[*] In his capacity as Housing and Land Use Arbiter, Expanded National Capital Region Field Office.

[1] Penned by Associate Justice Eubolo G. Verzola and concurred in by Associate Justices Roberto A. Barrios and Eriberto U. Rosario Jr., Rollo, pp. 42-51.

[2] Rollo, p. 54.

[3] Decision in CA-G.R. SP No. 53506, Rollo, pp. 42-46. Citations omitted.

[4] Though the parties denominated their agreement as a contract to sell, it was actually an absolute sale in view of the full payment.

[5] Sometimes referred to as HLRB.

[6] CA Decision, Rollo, p. 51.

[7] CA Resolution, Rollo, p. 54.

[8] In conjunction with the issue of the jurisdiction of the HLURB, petitioners also assign the following errors to the CA:

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II. THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN NOT FINDING THAT THE PETITIONERS HAVE A BETTER RIGHT OF OWNERSHIP OVER THE SUBJECT PROPERTIES IN LITIGATION.

III. THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR WHEN IT OVERLOOKED THE SERIOUSNESS OF THE UNLAWFUL INCLUSION BY THE PUBLIC RESPONDENT OF KEYSER MERCANTILE CO., INC., AS PARTY COMPLAINANT IN HIS ASSAILED ORDER DATED JUNE 19, 1999 IN [HLRB] CASE NO. REM-032196-9152.

IV. THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR WHEN IT FAILED TO RULE THAT THE DECISION IN [HLRB] CASE NO. REM-032196-9152 OF ARBITER VERMUDEZ ON NOVEMBER 18, 1996 WAS A CLEAR VIOLATION OF THE DOCTRINE OF NON-INTERFERENCE OF A COORDINATE COURT.

V. THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN AGREEING WITH PUBLIC RESPONDENT THAT PETITIONERS ARE BOUND BY AN ADVERSE DECISION CAUSED BY THE NEGLECT OF THEIR PREVIOUS COUNSEL.

VI. THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN THINKING THAT ECONOMIC FORCES ARE WITHIN THE SCOPE OF WHAT IS JUSTICIABLE. (Petition, Rollo, pp. 14-36)

[9] PD 1344: Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision under PD 957.

[10] PD 957, as amended: Regulating the Sale of Subdivision Lots and Condominiums, Providing Penalties for

Violations Thereof.

[11] Petition for Review on Certiorari, Rollo, pp. 14-15.

[12] HLRB Case No. REM-032196-9152: Eugenia Gocolay v. Sps. Carlos and Rosario Suntay, Bayfront Development Corporation, First Golden Imperial Realty & Development Corporation, Jesusa P. Maningas, in her capacity as ex-officio sheriff in the Regional Trial Court of Manila, and deputies Rodolfo M. Himongala and Rufo J. Bernardo; Rollo, p. 85.

[13] Comment, Rollo, p. 201.

[14] Id., at 203.

[15] See also EO 648: Reorganizing the Human Settlement Regulatory Commission (HSRC); EO 90: Identifying the Government Agencies Essential for the National Shelter Program and Defining their Mandates, Creating the Housing and Urban Development Council, Rationalizing Funding Sources and Lending Mechanisms for Home Mortgages; EO 71: Devolving the Powers of the HLURB to Approve Subdivision Plans to Cities and Municipalities Pursuant to RA 7160 (Local Government Code of 1991). The HSRC was renamed HLURB under EO 90 on December 17, 1986.

[16] Judiciary Reorganization Act of 1980 (BP 129), Section 19.

[17] *Mondejar v. Javellana*, 356 Phil. 1004 (1998).

[18] *Lapulapu Devt. and Housing Corp. v. Group Mgt. Corp.*, 437 Phil. 297, 314-315 (2002).

[19] *Manila Bankers Life Insurance Corporation v. Ng Kok Wei*, G.R. No. 139791, 12 December 2003, 418 SCRA 454; *Lapulapu Devt. and Housing Corp. v. Group Mgt. Corp.*, 437 Phil. 297 (2002); *Jose Clavano, Inc. v. Housing and Land Use Regulatory Board*, 428 Phil. 208 (2002); *Siasoco v. Narvaja*, 373 Phil. 766 (1999); *Sps. Raet v. Court of Appeals*, 356 Phil. 979 (1998); *Marina Properties Corporation v. Court of Appeals*, 355 Phil. 705 (1998); *Solid Homes v. Payawal*, G.R. No. 84811, 29 August 1989, 177 SCRA 72.

[20] *AMA Computer College, Inc. v. Factoran*, 428 Phil. 146, 153 (2002), citing *Arranza v. B.F. Homes, Inc.*, 389 Phil. 318, 336 (2000).

[21] Rules of Court, Rule 3, Section 2.

[22] *Primetown Property Group, Inc. v. Hon. Lyndon D. Juntilla*, in his capacity as Housing and Land Use Arbiter of HLURB, Region VII, Cebu City, and *Teresa C. Aguilar*, G.R. No. 157801, June 8, 2005 citing PD 1529, Section 48.

[23] *Solid Homes, Inc. vs. Payawal*, G.R. No. 84811, 29 August 1989, 177 SCRA 72, 80.

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