

SPOUSES WILLIAM GENATO AND REBECCA GENATO, PETITIONERS, VS. RITA VIOLA, RESPONDENT.

G.R. No. 169706. February 05, 2010

Ponente: DEL CASTILLO, J.

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DEL CASTILLO, J.:

When there is a conflict between the title of the case and the allegations in the complaint, the latter prevail in determining the parties to the action. Jurisprudence directs us to look beyond the form and into the substance so as to render substantial justice to the parties and determine speedily and inexpensively the actual merits of the controversy with least regard to technicalities.

In the present Petition for Review, petitioners assail the September 9, 2005 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 89466 which affirmed the Decision of the Office of the President. The Office of the President affirmed the Decision of the Housing and Land Use Regulatory Board (HLURB), First Division which granted the motion to quash the writ of execution issued in HLURB Case No. REM-102491-4959 (REM-A-950426-0059).

Factual Antecedents

In October 1991, a complaint titled "VILLA REBECCA HOMEOWNERS ASSOCIATION, INC. versus MR. WILLIAM GENATO and spouse REBECCA GENATO" was filed with the HLURB. The said complaint was verified by 34 individuals, including the respondent herein, who referred to themselves as the "Complainants" who "caused the preparation of the foregoing Complaint".[2] The complaint stated that on various dates, complainants executed Contracts to Sell and/or Lease Purchase Agreements with the Sps. Genato pertaining to housing units in Villa Rebecca Homes Subdivision. Sometime thereafter the HLURB issued a cease and desist order (CDO) enjoining the collection of amortization payments. This CDO was subsequently lifted. Thereafter, complainants went to the Sps. Genato with the intention of resuming their amortization payments. The latter however refused to accept their payments and instead demanded for a lump sum payment of all the accrued amortizations which fell due during the effectivity of the CDO.

From the disorganized, bordering on incomprehensible, complaint, it can be gleaned that the following reliefs are prayed for: 1) That Sps. Genato accept the complainants' monthly amortization payments corresponding to the period of effectivity of the (subsequently lifted) CDO, without any penalty; 2) That the computation of interest on delinquent payments be at 3% per month and not compounded; 3) That Sps. Genato be responsible for correcting the deficiencies in the construction and replacement of sub-standard materials to conform with the plans and specifications; 4) That Sps. Genato be held answerable/liable to make good their undertaking to provide individual deep wells for the homeowners; 5) That Sps. Genato be responsible for maintaining the street lights and payment of the corresponding electric bills; 6) That Sps. Genato maintain the contract price of the units for sale and not increase the prices; and 7) That Sps. Genato be made accountable for the unregistered dwelling units.

On March 8, 1995, the Housing Arbiter rendered a Decision, the dispositive portion of which states:

WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered ordering complainants to resume payment of their monthly amortization from date hereof pursuant to the agreement. Likewise, it is hereby ordered that respondents correct the deficiencies in the construction of the complaining occupants' units so as to conform to that which is specified in the plans and specification of the buildings, as well as observe proper drainage requirements pursuant to law. Likewise, respondents are hereby directed to immediately put up commercial wells and/or water pumps or facilities in the Villa Rebecca Subdivision and to reimburse complainants and unit occupants of their total expenditures incurred for their water supply.[3]

On appeal to the HLURB Board of Commissioners, the Decision was modified, inter alia, by the additional directive for the complainants to pay 3% interest per month for the unpaid amortizations due from June 29, 1991. The dispositive portion of the Decision of the HLURB Board of Commissioners states:

WHEREFORE, premises considered, the decision of the Arbiter is hereby MODIFIED to read as follows:

1. Ordering complainants to pay respondent the remaining balance of the purchase price. Complainant must pay 3% interest per month for unpaid amortizations due from June 29, 1991. Thereafter complainant must pay its amortization in accordance with the original term of the contract. These must be complied with upon finality of this decision.

2. Ordering the respondent to:

- . Accept the amortization payment;
- Provide drainage outfall;
- Provide the project with water facilities; and
- Reimburse complainant the following:

d.1 Electric Bills in the amount of P3,146.66

d.2 Cost of construction of water supply to be determined by an appraiser mutually acceptable to the parties.

Number 2.d to 2.e [sic] must be complied with within thirty (30) days from finality of this decision.

SO ORDERED.[4]

This Decision, after being revised and then reinstated, subsequently became final and executory.

On May 26, 2000, Arbiter Marino Bernardo M. Torres issued the Writ of Execution. In connection therewith, the sheriff seized Rita Viola's two delivery trucks and 315 sacks of rice. Respondent Viola then filed an Urgent Motion to Quash Execution, with Prayers for Issuance of Temporary Restraining Order, Clarification and Computation of Correct Amount of Money Judgment and Allowance of Appeal.

After various incidents and pleadings by the opposing parties, the two trucks were ordered released. The 315 sacks of rice, however, were sold at public auction to the highest bidder,[5] petitioner Rebecca Genato in the amount of P189,000.00.[6]

On December 15, 2000, Arbiter Torres issued an Order denying respondent Viola's motion to quash the writ of execution and directed her to pay the Sps. Genato the amount of P739,133.31. The dispositive portion of the Order reads:

WHEREFORE, premises considered, the motion to quash writ of execution is hereby DENIED.

Movant Rita Viola is hereby directed to pay to the respondents the amount of P739,133.31 in payment of their amortizations up to August 2000.

The bond posted by the movant in compliance with the directive of this Office is likewise ordered cancelled.

SO ORDERED.[7]

Viola appealed the said Order and on January 10, 2003, the HLURB, First Division rendered a Decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the movants' respective Motions to Quash the Writ of Execution are hereby GRANTED. Accordingly, the Orders dated December 15, [2000] are hereby SET ASIDE. The respondents are directed to credit as payment the value of the 315 sacks of rice in the amount of P318,500.00, which were seized and auctioned to the account of movant Viola.

SO ORDERED.[8]

The Sps. Genato appealed the said Decision to the Office of the President. On November 8, 2004, the Office of the President affirmed in toto the Decision of the HLURB, First Division. The motion for reconsideration filed by the Sps. Genato was denied. They thus elevated the case to the CA. As previously mentioned, the CA affirmed the Decision of the Office of the President and disposed as follows:

WHEREFORE, premises considered, the petition is DENIED and the assailed decision dated November 4, 2004 and resolution dated March 31, 2005 of the Office of the President in O.P. Case No. 03-B-057 are hereby AFFIRMED.

SO ORDERED.[9]

The Sps. Genato no longer filed a motion for reconsideration, they instead filed the present petition for review.

Issues

Petitioners raise the following issues:

- WHETHER THE HONORABLE COURT OF APPEALS ERRED IN RULING THAT THE HLURB HAS NOT ACQUIRED JURISDICTION OVER THE PERSON OF RESPONDENT RITA VIOLA.
- WHETHER AFTER THE DECISION HAS BECOME FINAL AND EXECUTORY THE HLURB COULD STILL RULE ON THE LACK OF JURISDICTION OVER THE PERSON OF RITA VIOLA.
- WHETHER RESPONDENT VIOLA CAN CLAIM AN AMOUNT HIGHER THAN WHAT APPEARS ON SHERIFF'S CERTIFICATE OF SALE.
- WHETHER THE RULE THAT FINDINGS OF FACTS AND CONCLUSIONS OF ANY ADJUDICATIVE BODY SHOULD BE CONSIDERED AS BINDING AND CONCLUSIVE ON THE APPELLATE COURT, IS APPLICABLE IN THE CASE AT BAR.[10]

Petitioners' Arguments

Petitioners contend that the CA erred in applying the case of *Duero v. Court of Appeals*,[11] which held that the lack of jurisdiction of the court over an action cannot be waived. They submit that "jurisdiction of the court over an action" is different from "jurisdiction over the person". They say that the latter was what the HLURB was referring to because it stated that Rita Viola was never impleaded. They contend that jurisdiction over the person can be conferred by consent expressly or impliedly given, as in the case of Rita Viola.

Petitioners also assert that the HLURB Decision subject of the writ of execution has long been final and executory, hence, said Decision can no longer be modified. They further assert that the execution of the said Decision is a ministerial duty of the HLURB.

Petitioners further argue that the best evidence of the value of the 315 sacks of rice seized and auctioned off is the Sheriff's Certificate of Sale; hence the Board's ruling crediting to the account of Viola an amount other than that stated in the Certificate of Sale has no sound basis.

Finally, the petitioners contend that the findings and conclusions of an adjudicative body resulting from an erroneous application of law are not binding on the appellate courts.

Respondent's Arguments

On the other hand, respondent contends that the HLURB did not acquire jurisdiction over her person since she was not a party to the case; hence, the HLURB decision is a nullity as against her and therefore never acquired finality. With a void judgment, the resultant execution was likewise void.

She also argues that, since the levy and auction were illegal, the correct valuation of the 315 sacks of rice is not the price paid at the auction but its actual value of P318,500.00.

Our Ruling

The petition has merit.

At the outset, it is worth mentioning that except for respondent Rita Viola, all the other individual members/buyers/owners of the respective housing units have already paid and settled their obligations with Sps. Genato.[12] Hence, in the present case we only focus on the matters involving Rita Viola.

For a more orderly presentation, we address the fourth issue raised by petitioners first.

Non-applicability of the doctrine on the binding effect of findings of facts and conclusions of an adjudicative body

Indeed findings of fact and conclusions of an adjudicative body like the HLURB, which can be considered as a trier of facts on specific matters within its field of expertise, should be considered as binding and conclusive upon the appellate courts. This is in addition to the fact that it was in a better position to assess and evaluate the credibility of the contending parties and the validity of their respective evidence. However, these doctrines hold true only when such findings and conclusions are supported by substantial evidence.[13]

In the present case, we find it difficult to find sufficient evidential support for the HLURB's conclusion that it did not acquire jurisdiction over the person of Viola. We are thus persuaded that there is ample justification to disturb the findings of the HLURB.

The HLURB acquired jurisdiction over Viola

It is not the caption of the pleading but the allegations therein that are controlling.[14] The inclusion of the names of all the parties in the title of a complaint is a formal requirement under Section 3, Rule 7 of the Rules of Court. However, the rules of pleadings require courts to pierce the form and go into the substance.[15] The non-inclusion of one or some of the names of all the complainants in the title of a complaint, is not fatal to the case, provided there is a statement in the body of the complaint indicating that such complainant/s was/were made party to such action. This is specially true before the HLURB where the proceedings are summary in nature without regard to legal technicalities obtaining in the courts of law[16] and where the pertinent concern is to promote public interest and to assist the parties in obtaining just, speedy and inexpensive determination of every action, application or other proceedings.[17]

Respondent Viola, although her name did not appear in the title as a party, was one of the persons who caused the preparation of the complaint and who verified the same. The allegations in the body of the complaint indicate that

she is one of the complainants. She categorically considered, and held out, herself as one of the complainants from the time of the filing of the complaint and up to the time the decision in the HLURB case became final and executory. To repeat, the averments in the body of the complaint, not the title, are controlling.[18] Hence, having been set forth in the body of the complaint as a complainant, Viola was a party to the case.

For clarity, the complaint should have been amended to reflect in the title the individual complainants. There being a "defect in the designation of the parties", its correction could be summarily made at any stage of the action provided no prejudice is caused thereby to the adverse party.[19] In the present case, the specification of the individual complainants in the title of the case would not constitute a change in the identity of the parties. Only their names were omitted in the title but they were already parties to the case, most importantly, they were heard through their counsel whom they themselves chose to prepare the complaint and represent them in the case before the HLURB. No unfairness or surprise to the complainants, including Viola, or to the Sps. Genato would result by allowing the amendment, the purpose of which is merely to conform to procedural rules or to correct a technical error.[20]

It is now too late to dismiss this petition, and, in effect, nullify all proceedings had before the HLURB on the ground that Viola does not appear to have been impleaded as a party. The error or defect is merely formal and not substantial and an amendment to cure such defect is expressly authorized by Sec. 4, Rule 10 of the Rules of Court.[21]

Moreover, it was only when the final and executory judgment of the HLURB was already being executed against Viola that she, for the first time, reversed her position; and claimed that she was not a party to the case and that the HLURB did not acquire jurisdiction over her. Viola is estopped[22] from taking such inconsistent positions. Where a party, by his or her deed or conduct, has induced another to act in a particular manner, estoppel effectively bars the former from adopting an inconsistent position, attitude or course of conduct that causes loss or injury to the latter. The doctrine of estoppel is based upon the grounds of public policy, fair dealing, good faith and justice, and its purpose is to forbid one to speak against his own act, representations, or commitments to the injury of one to whom they were directed and who reasonably relied thereon. After petitioners had reasonably relied on the representations of Viola that she was a complainant and entered into the proceedings before the HLURB, she cannot now be permitted to impugn her representations to the injury of the petitioners.

At this point, it may be beneficial to elaborate on the matter of jurisdiction. Jurisdiction is defined as the power and authority of a court to hear, try and decide a case.[23] In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire jurisdiction over the subject matter and the parties.[24] Elementary is the distinction between jurisdiction over the subject matter and jurisdiction over the person. Jurisdiction over the subject matter is conferred by the Constitution or by law. In contrast, jurisdiction over the person is acquired by the court by virtue of the party's voluntary submission to the authority of the court or through the exercise of its coercive processes. Jurisdiction over the person is waivable unlike jurisdiction over the subject matter which is neither subject to agreement nor conferred by consent of the parties.[25] In civil case, courts acquire jurisdiction over the plaintiffs upon the filing of the complaint, while jurisdiction over the defendants is acquired either through the service of summons upon them in the manner required by law or through their voluntary appearance in court and their submission to its authority.[26]

The act of filing the complaint with the HLURB is unequivocally a voluntary submission by the complainants, including Viola, to the authority of the HLURB. Clearly, the HLURB acquired jurisdiction over Viola, who was one of the complainants, upon the filing of their complaint.

Final and executory judgment may no longer be modified

The April 27, 1999 HLURB Resolution,[27] reinstating the December 18, 1996 Decision,[28] has long been final and executory. Nothing is more settled in the law than that a decision that has acquired finality becomes immutable and unalterable and may no longer be modified in any respect even if the modification is meant to correct erroneous conclusions of fact or law and whether it was made by the court that rendered it or by the highest court of the land.[29] The only recognized exceptions to the general rule are the correction of clerical errors, the so-called nunc pro tunc entries which cause no prejudice to any party, void judgments, and whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable.[30] None of the exceptions is present in this case. The HLURB decision cannot be considered a void judgment, as it was rendered by a tribunal with jurisdiction over the subject matter of the complaint and, as discussed above, with jurisdiction over the parties. Hence, the same can no longer be modified.

Amount to be credited on account
of the sale of property levied upon

After a judgment has gained finality, it becomes the ministerial duty of the court or quasi-judicial tribunal to order its execution.[31] In the present case, the final and executory HLURB decision was partially executed by the sale of the 315 sacks of rice belonging to Viola.

In determining the amount to be credited to the account of Viola, we look at the Sheriff's Partial Report and the Sheriff's Certificate of Sale. Both documents state that in the auction sale of the 315 sacks of rice, Mrs. Rebecca Genato submitted the highest bid in the amount of P189,000.00. Drawing from Section 19, Rule 39 of the Rules of Court which states that "all sales of property under execution must be made at public auction, to the highest bidder," it naturally follows that the highest bid submitted is the amount that should be credited to the account of the judgment debtor.

WHEREFORE, the petition is GRANTED. The assailed September 9, 2005 Decision of the Court of Appeals is REVERSED and SET ASIDE and the December 15, 2000 Order of Arbiter Marino Bernardo M. Torres is REINSTATED and AFFIRMED.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

ROBERTO A. ABAD
Associate Justice

JOSE P. PEREZ
Associate JusticeV

[1] CA rollo, pp. 141-152; penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by

Associate Justices Rosmari D. Carandang and Estela M. Perlas-Bernabe.

[2] Rollo, pp. 47-53.

[3] Id. at 56.

[4] Id. at 59.

[5] There was one other bidder, Mr. Manuel Rigo, whose bid amounted to only P173,250.00.

[6] CA rollo, p. 64.

[7] Id. at 71.

[8] Rollo, p. 80.

[9] Id. at 45.

[10] Id. at 199.

[11] 424 Phil. 12, 25 (2002).

[12] Rollo, p. 17.

[13] *Cabalan Pastulan Negrito Labor Association v. National Labor Relations Commission*, 311 Phil. 744 , 756 (1995).

[14] See *Almuete v. Andres*, 421 Phil. 522, 531 (2001); See also *Leonardo v. Court of Appeals*, G.R. No. 125485, September 13, 2004, 438 SCRA 201, 214.

[15] *Vlason Enterprises Corporation v. Court of Appeals*, 369 Phil. 269, 304 (1999).

[16] Section 3. Nature of the Proceedings.-Proceedings before the Board shall be summary in nature without regard to legal technicalities obtaining in the courts of law. The Rules of Court shall not apply in said proceedings except in suppletory character and whenever practicable. Appearance by counsel is optional. (1987 HLURB Rules)

[17] Section 4 of the 1987 HLURB Rules.

[18] *Vlason Enterprises Corporation v. Court of Appeals*, supra note 14.

[19] Sec. 4. of the Rules of Court states: "Formal amendments. - A defect in the designation of the parties and other clearly clerical or typographical errors may be summarily corrected by the court at any stage of the action, at its initiative or on motion, provided no prejudice is caused thereby to the adverse party".

[20] Cf. *Juasing Hardware v. Mendoza*, G.R. No. L-55687, July 30, 1982, 115 SCRA 783.

[21] Cf. *Yao Ka Sin Trading v. Court of Appeals*, G.R. No. 53820, June 15, 1992, 209 SCRA 763.

[22] Article 1431 of the Civil Code states: "Through estoppel an admission or representation is rendered conclusive upon the person making it and cannot be denied or disproved as against the person relying thereon".

[23] *Zamora v. Court of Appeals*, G.R. No. 78206, March 19, 1990, 183 SCRA 279, 283-284.

[24] See *Perkin Elmer Singapore Pte Ltd. v. Dakila Trading Corporation*, G.R. No. 172242, August 14, 2007, 530 SCRA 170, 186; *Bank of the Philippine Islands v. Sps. Evangelista*, 441 Phil 445, 453 (2002).

[25] *Arnado v. Buban*, A.M. No. MTJ-04-1543, May 31, 2004, 430 SCRA 382, 386.

[26] *Perkin Elmer Singapore Pte Ltd. v. Dakila Trading Corporation*, supra note 24; *Bank of the Philippine Islands v. Sps. Evangelista*, supra note 24.

[27] *Rollo*, pp. 63-65.

[28] *Id.* at 56-59.

[29] *Hulst v. PR Builders, Inc.*, G.R. No. 156364, September 3, 2007, 532 SCRA 74, 95; *Peña v. Government Service Insurance System*, G.R. No. 159520, September 19, 2006, 502 SCRA 383, 404.

[30] *Hulst v. PR Builders, Inc.*, supra.

[31] *De Luna v. Pascual*, G.R. No. 144218, July 14, 2006, 495 SCRA 42, 58.

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