

ORIGINAL DEVELOPMENT AND CONSTRUCTION CORPORATION, PETITIONER, VS. HON. COURT OF APPEALS AND HOME INSURANCE AND GUARANTY CORPORATION, RESPONDENTS.

G.R. No. 94677. October 15, 1991

Ponente: PARAS, J.

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PARAS, J.:

Assailed in this petition for certiorari is the decision^[**] of the Court of Appeals dated July 31, 1990 in CA G.R. SP No. 18462 entitled "Home Insurance and Guaranty Corporation v. Hon. Adriano R. Osorio and Original Development and Construction Corporation" ordering that the complaint in Civil Case No. 3020-V-89 be expunged from the record and declaring the orders dated June 1 and 29, 1989 of the court a quo as null and void for having been issued without jurisdiction.

The factual background of the case appears undisputed, to wit:

On December 19, 1988, herein petitioner Original Development and Construction Corporation (ODECOR for brevity) filed a complaint for breach of contract and damages against private respondent Home Insurance and Guaranty Corporation (HIGC for short), National Home Mortgage Finance Corporation (NHMFC for short) and Caloocan City Public School Teachers Association (CCPSTA for brevity). The case was docketed as Civil Case No. 3020-V-89 and assigned to Branch 171 of the Regional Trial Court in Valenzuela, Metro Manila.

The questioned allegations in the body of the complaint, among others, are as follows:

“16. The organization, as earlier stated, of the Third District Public School Teachers Homeowners Association, under the sponsorship and patronage of HIGC, unjustly deprived ODECOR of not less than 10,000 committed buyers, and as a consequence suffered a big financial loss;

“17. As part of its scheme to destroy the viability of ODECOR's Housing project, HIGC maliciously and unreasonably; (a) delayed action on ODECOR's request for the issuance of Certificate of Completion of houses which have already been completed; (b) froze ODECOR's requests for 'take-out' appraisals of the value of its houses and lots, instead, approved very low appraisal values; (c) refused to allow ODECOR to construct smaller and cheaper house and lot packages, and unreasonably required ODECOR to secure prior clearance from the National Home Mortgage Finance Corp. before it (HIGC) will allow ODECOR to construct smaller packages; and (d) delayed countersigning the checks, which were issued by ODECOR to pay the suppliers of construction materials used in the project, which delay resulted in the pilferage of valuable construction materials and (e) delayed action of ODECOR's labor payrolls, thus, demoralizing the employees of the ODECOR;

x x x x x x x x

“19. HIGC's aforementioned acts not only resulted in ODECOR's financial crises and/or reversal's, but also brought about almost the total loss of its market; and such loss of market renders HIGC liable for the actual and consequential damages suffered by ODECOR;

“20. In order to prevent the total collapse of the Dona Helen Subdivision project, to rescue ODECOR from its financial straits, and to enable the ODECOR to continue its distressed operations, ODECOR's President, for the account of ODECOR, had to secure personal loans from sympathetic friends, in which loans ODECOR bound itself to pay monthly a high rate of interest; and accordingly, the principal and the interests should be charged to or considered as a liability of the HIGC, by way of reparation for actual and consequential damages, to ODECOR;

x x x x x x x x

“24. Notwithstanding insistent demands by ODECOR, NHMFC has delivered to the former, is staggered and delayed installments in a period of five (5) years, the amount of P5,366,727.80 only, which malicious delays have caused ODECOR to incur unnecessary expenses in the form of interests on its loans, unexpected administrative and operational requirements, which interest payments and other expenses could have been avoided had the National Home Mortgage Finance Corporation promptly paid over to ODECOR the moneys which it (NHMFC) had guaranteed to pay;

“25. Notwithstanding ODECOR's repeated demands on NHMFC for the latter to effect payment and delivery to it of the remaining balance of the originating banks' transmitted loan proceed in the amount of P2,272,193.10 which amount represents the ‘take out’ proceeds of twenty-two (22) House and lot buyers, NHMFC has maliciously refused or rejected such demands; and this malicious non-payment aggravated the financial difficulties and the deterioration of ODECOR and forced it to curtail its development operations and to abandon its program to construct 10,000 units;

“26. NHMFC's aforestated unjust, if not illegal, acts subject NHMFC to liability to pay ODECOR for actual, consequential and exemplary damages for the losses and injuries which were sustained by it (plaintiff);

"27. ODECOR, as a result of the aforescribed illegal and unlawful acts committed by the several defendants, and to protect its financial interests, good name and reputation, and to recover its huge losses, has been needlessly compelled to file this action in Court, and for this purpose, had to engage the professional services of a reputable law counsel for which it agreed to pay 25% of its total money claims as attorney's fees excluding trial honorarium of P3,000.00 per hearing.

x x x x x x x x

(Italics supplied)

The prayer states:

"WHEREFORE, the plaintiff to this Honorable Court respectfully prays that judgment be rendered:

1. Adjudging all the defendants guilty of breach of contracts and/or bad faith and/or unfair business practice and, accordingly, liable for their unlawful acts which sabotaged and ruined the financial resources and housing development enterprise of the plaintiff;
 2. Adjudging all the defendants, solidarily liable to compensate the plaintiff for actual, consequential, exemplary and moral damages, the amount of which will be proved at the trial;
 3. Requiring National Home Mortgage Finance Corporation to deliver and/or to pay to the plaintiff the amount of P2,272,193.10 which sum is due and payable to the plaintiff and is in its possession and custody;
 4. Declaring the defendants liable to the plaintiff for attorney's fees and other expenses of litigation and the costs of this suit; and
 5. Granting to the plaintiff such other reliefs and remedies which are just and equitable in the premises."
- (Italics supplied)

Simultaneous with the filing of the said complaint, ODECOR paid the following: P4,344.00 under O.R. No. 1772201-H; P4,344.00 under O.R. No. 007830; and P86.00; based on the one numerical figure appearing in the complaint as P2,272,193.10 for alleged "loan take out proceeds" which the other defendant NHMFC allegedly failed to remit to ODECOR. The rest appears to be an unspecified amount of damages which the trial court could not assess (Rollo, p. 71).

On March 4, 1989, HIGC filed a motion to dismiss on the ground that the court did not acquire jurisdiction due to non-payment of the proper docket fees, citing the case of Manchester Development Corporation vs. Court of Appeals (149 SCRA 56 [1987]). NHMFC, on the other hand, filed its answer while CCPSTA was declared in default (Petition, Rollo, pp. 6-7). The court, in its order dated June 1, 1989 denied the motion to dismiss and directed the Clerk of Court in this wise:

"x x x to issue the Certificate of Reassessment of the proper docket fee to include in the Certificate the deficiency, if any. In case the payment is insufficient, plaintiff must pay the deficiency within Five (5) days from receipt of the certificate of reassessment to the Clerk of Court.

In the event that the judgment awards claim not specified in the complaint or such claim left for determination by the court as proved at the trial, the additional filing fee therefor shall constitute a lien in the judgment and the Clerk of Court or her duly authorized deputy will enforce said liens and after assessment to collect the additional fee.

x x x x x x x x

SO ORDERED.' (Annex "D" of the Petition, Rollo, p. 37).

Pursuant to the above order, the Clerk of Court filed an Ex-Parte motion dated June 6, 1989 (Rollo, pp. 38-39) stating that she has already issued the required certificate of reassessment but the deficiency could not be included therein because the claim for attorney's fee manifested in the body of the complaint was not reiterated in the prayer. Hence, the docket fees paid by ODECOR did not include the demand for attorney's fees. The Clerk of Court, therefore, moved that the complaint be amended accordingly. This prompted HIGC to move for a reconsideration of the aforecited order of the court, praying that the complaint be dismissed or in the alternative, to amend ODECOR's complaint to reflect the specific amount of damages both in the body as well as in the prayer (Rollo, p. 43). But the same was denied in the subsequent order dated June 29, 1989. ODECOR thereafter filed its amended complaint dated July 6, 1989 containing substantially all its allegations in the first complaint except that it specified its claim for attorney's fees as equivalent to 25% of the total monthly liability and other expenses of litigation and costs of the suit. Such amended complaint was admitted by the court on July 11, 1989. HIGC then filed its answer thereto, but after the issues had been joined and the case had been set for pre-trial conference, HIGC filed a petition for certiorari with the appellate court questioning the jurisdiction of the lower court over the case on the same ground of failure to pay the proper docket fees. The appellate court, in turn, restrained the lower court from taking further cognizance of the case and on July 31, 1990, rendered its decision, the dispositive portion of which reads:

"In view of the foregoing, We find and so hold that the respondent court did not acquire jurisdiction over Civil Case No. 3020-V-89. The complaint in the said Civil Case is ordered expunged from the record and the orders dated June 1 and 29, 1989 having been issued without jurisdiction, are declared null and void.

SO ORDERED.' (Decision of the Court of Appeals, Rollo, p. 19).

ODECOR moved for a reconsideration of this decision but later withdrew the same and filed instead the present petition.

The issue now at hand is whether the court acquires jurisdiction over a case even if the complaint does not specify the amount of damages.

The petition is devoid of merit.

ODECOR's first complaint as well as its amended complaint vaguely asserted its claim for actual, consequential, exemplary and moral damages, "the amount of which will be proved at the trial" and the demand for attorney's fees as "equivalent to 25% of the total monetary liability and other expenses of litigation and costs of this suit". Such terms are certainly not definite enough to support the computation of the proper docket fees. While it is not required that the exact amounts be stated, the plaintiff must ascertain, in his estimation, the sums he wants and the sums required to determine the amount of such docket and other fees. Thus, it is evident that the complaint did not state enough facts and sums to enable the Clerk of Court of the lower court to compute the docket fees payable and left to the judge "mere guesswork" as to these amounts, which is fatal. (*Spouses Belen Gregorio v. The Honorable Judge Zosimo Z. Angeles, et al.*, G.R. No. 85847, December 21, 1989, 180 SCRA 490). The intent to defraud the government appears obvious, not only in the filing of the original complaint but also in the filing of the amended complaint.

In any event, the requirement in Circular No. 7 that complaints, petitions, answers, and similar pleadings should specify the amount of damages being prayed for not only in the body of the pleadings but also in the prayer has not been altered (*Tacay v. RTC of Tagum, Davao del Norte*, 180 SCRA 443-444 [1989]).

What has been revised is the rule that subsequent amendment of the complaint or similar pleading will not thereby vest jurisdiction on the Court, much less the payment of the docket fee based on the amount sought in the amended pleading. The trial court how is authorized to allow payment of the fee within a reasonable time but in no case beyond the applicable prescriptive or reglementary period (*Ibid*).

Thus, where a complaint purely for money or damages did not specify the amounts being claimed, the Court may allow amendment of the pleading and payment of the proper fees or where the pleading specified the amount of every claim but the fees paid are insufficient, the defect may be cured and the Court may take cognizance of the action by payment of the proper fees provided that in both cases, prescription has not set in the meantime. Similarly where the action involves real property and a related claim for damages and the prescribed fees for an action involving real property have been paid but the amounts of the unrelated damages are unspecified, the Court undeniably has jurisdiction over the action on the real property but may not have acquired jurisdiction over the accompanying claim for damages. Accordingly, the Court may expunge the claims for damages or allow the amendment of the complaint so as to allege the precise amount of each item of damages within the prescriptive period (*Ibid*).

Coming back to the case at bar, it is readily evident that none of the foregoing requisites was complied with.

Petitioners invoke the liberal interpretation of the rules as enumerated by this Court in the case of *Sun Insurance Office, Ltd. (SIOL) v. Asuncion* 170 SCRA 284-285 [1989] which is not, however, applicable as in said case, private respondent amended his complaint several times, stating the amount claimed and paying each time the required docket fees. While it is true that eventually the docket fees paid are still insufficient, he nevertheless manifested his willing-ness to pay such additional docket fee as may be ordered.

The same is not true in the case at bar where in line with the foregoing pronouncements, the trial court allowed the amendment of the complaint for the determination of the fees, but such amendment did not, however, in anyway help in specifying the amount of damages claimed. At most, the demand for attorney's fees was stated as 25% of the total monetary liability, another unspecified amount which cannot be the basis of computation.

As to awards of claims not specified in the pleadings - this Court had already clarified that they refer only to damages arising after the filing of the complaint or similar pleading, to which the additional filing fee shall constitute a lien on the judgment. The amount of any claim for damages, therefore, arising on or before the filing of the complaint or any pleading, should be specified. The exception contemplated as to claims not specified or to claims although specified are left for the determination of the court is limited only to any damages that may arise after the filing of the complaint or similar pleading for then it will not be possible for the claimant to specify nor speculate as to the amount thereof (*Tacay v. RTC of Tagum, supra; Ayala Corporation, et al. v. The Honorable Job Maddayag, et al., G.R. No. 88421, 181 SCRA 687 [1990]*) (*italics supplied*).

PREMISES CONSIDERED, the petition is hereby DISMISSED and the decision appealed from is AFFIRMED.

SO ORDERED.

Padilla and Regalado, JJ., concur.

Melencio-Herrera, J., (Chairman), on leave.

[**] Penned by Associate Justice Asali S. Isnani and concurred in by Associate Justices Luis A. Javellana and Minerva P. Gonzales-Reyes.

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