

## SECOND DIVISION

[ G.R. No. 148133, October 08, 2008 ]

**HERITAGE PARK MANAGEMENT CORPORATION, PETITIONER, VS.  
CONSTRUCTION INDUSTRY ARBITRATION COMMISSION AND  
ELPIDIO UY, DOING BUSINESS UNDER NAME AND STYLE OF  
EDISON DEVELOPMENT AND CONSTRUCTION, RESPONDENTS.**

### D E C I S I O N

**VELASCO JR., J.:**

In the disposition of judicial controversies, reasonable and justifiable liberality in the application of the rules on pleading and practice should be the guiding norm. But in those times when the Court allowed the relaxation or even suspended the application of procedural rules, even *pro hac vice*, it did so only for the most persuasive of reasons. The imperatives of a speedy and orderly administration of justice also require adherence to procedural laws, particularly those fixing periods within which certain acts must be done. Else, through negligence or indolence, not to mention malice, suits may be unduly prolonged, and needless delays tolerated, thereby giving veracity to that odious situation of justice delayed, justice denied.

#### The Case

This Petition for Review on Certiorari under Rule 45 seeks the reversal of the November 29, 2000 Decision<sup>[1]</sup> and May 7, 2001 Resolution<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 58124, entitled *Heritage Park Management Corporation v. Construction Industry Arbitration Commission and Elpidio Dy doing business under the name and style of Edison Development and Construction*. The appealed decision, as effectively reiterated in the equally appealed resolution, denied the petition dated April 4, 2000 for the CA to declare that the Construction Industry Arbitration Commission (CIAC) has no jurisdiction over the case docketed with it as CIAC Case No. 02-2000 entitled *Elpidio S. Uy, doing business under the name and style of Edison Development and Construction v. Public Estates Authority and/or Carlos P. Doble*, and that the CIAC and Edison Development and Construction (EDC) be permanently enjoined from further proceeding with the case.

#### The Facts

The antecedent facts of the case are set forth in the Court's decision in *Public Estates Authority v. Uy*.<sup>[3]</sup> In that case, the petitioner, Public Estates Authority (PEA), was designated by the Bases Conversion Development Authority to develop the first class memorial park known as the Heritage Park, located in Fort Bonifacio, Taguig, Metro Manila. Relative thereto, PEA engaged the services of herein private respondent Elpidio S. Uy, doing business under the name and style of EDC, under a Landscaping and Construction Agreement dated November 20, 1996 (Agreement). In the Agreement, EDC undertook to perform all landscaping works on the 105-

hectare Heritage Park, to be completed within 450 days, commencing within 14 days from EDC's receipt from PEA of a written notice to proceed. Due to delays, the contract period was extended to 693 days. Among the causes of delay was PEA's inability to deliver to EDC 45 hectares of the property landscaping due to the existence of squatters and a public cemetery.

Thus, EDC instituted a Complaint dated January 12, 2000 with the CIAC, docketed as CIAC Case No. 02-2000, seeking to collect from PEA damages arising from its delay in the delivery of the entire property for landscaping. EDC alleged that it incurred additional rental costs for equipment which were kept on standby and labor costs for idle manpower. Likewise, the delay incurred by PEA caused the topsoil of the original supplier to be depleted, thereby incurring added costs. EDC also claimed incurring additional costs to mobilize water trucks for the plants and trees which had already been delivered at the site. Finally, EDC claimed that it was necessary to construct a nursery shade to protect and preserve the young plants and trees prior to actual transplanting at the landscaped area.

Sometime in March 2000, PEA executed a Deed of Assignment in favor of herein petitioner Heritage Park Management Corporation (Heritage), whereby PEA and Heritage agreed as follows:

1. That the ASSIGNOR hereby transfers, cedes and assigns the development contracts hereinbefore enumerated in favor of the ASSIGNEE, including all rights, interests, causes of action, and its corresponding obligations under said contracts.
2. That the ASSIGNEE hereby accepts the assignment of all contracts herein before listed, which were entered into and executed by ASSIGNOR as Project Manager of the Heritage Park Project, approved and confirmed by the HPP Execom, and shall assume ASSIGNOR's rights, interests and responsibilities, obligations, undertakings and liabilities arising from the said contracts including judgment awards, costs or expenses relative to the said contracts, particularly the terrasoleum 1B & 4 and the Landscaping contract, which are now subject of litigation pending before various courts in Parañaque, and the Construction Industry Arbitration Commission.

Thereafter, on April 5, 2000, Heritage filed a petition dated April 4, 2000<sup>[4]</sup> with the CA for prohibition/injunction with prayer for preliminary injunction and temporary restraining order (TRO) against the CIAC and EDC, docketed as CA-G.R. SP No. 58124. In the petition, Heritage prayed that a TRO and then a preliminary injunction issue, enjoining respondents from further proceeding with, resolving, and rendering an award in CIAC Case No. 02-2000. Heritage further prayed that a permanent injunction be finally issued.

Heritage alleged in the petition that the CIAC has no jurisdiction over the subject funds against which any award against PEA, a party-defendant in the CIAC case, would be enforced. Allegedly, Heritage has complete control, custody, and authority over the Heritage Park Project funds and has never submitted itself and the funds to the CIAC's arbitral jurisdiction.

Subsequently, the CA, by Resolution dated April 7, 2000, issued the TRO Heritage

prayed for. The CIAC received a copy of the Resolution on the same day.

Previously, however, the CIAC already finished the hearing of the case and the same was already submitted for decision as of April 4, 2000 or one day before the filing of the petition in CA-G.R. SP No. 58124 with the CA.

Thereafter, the Decision in CIAC Case No. 02-2000 was promulgated on May 16, 2000 in favor of EDC. PEA and EDC both appealed to the CA. The cases were consolidated. The CA then issued a Joint Decision dated September 25, 2000, denying due course to the petitions. In a Joint Resolution dated April 25, 2001, the CA affirmed its Joint Decision.

Thus, PEA filed an appeal with this Court docketed as G.R. Nos. 147933-34 entitled *Public Estates Authority v. Uy*. The Court affirmed the CA's Joint Decision and Resolution, dismissing PEA's appeal.

Meanwhile, on May 12, 2000, herein private respondent filed a Comment to the Petition dated April 4, 2000 before the CA. Heritage filed a Reply to the Comment on May 23, 2000. On June 2, 2000, this was followed by a Rejoinder to the Reply. On June 30, 2000, Heritage filed a Sur-Rejoinder.<sup>[5]</sup>

On June 7, 2000, the CA issued a Certification, upon the request of private respondent, stating that no Writ of Preliminary Injunction had been issued by the Court as of June 7, 2000 and that the TRO issued in a Resolution dated April 7, 2000 had already lapsed.<sup>[6]</sup>

Thus, private respondent filed with the CIAC a Motion *Ex-Parte* to Promulgate Decision, arguing that the 60-day period of effectivity of the TRO had already lapsed.

Acting on the Motion, the CIAC issued a Notice of Award dated June 8, 2000 attaching thereto a copy of the Decision promulgated on May 16, 2000.<sup>[7]</sup>

It is against the foregoing factual backdrop that the CA issued the assailed decision dated November 29, 2000, denying and accordingly dismissing the petition dated April 4, 2000.<sup>[8]</sup>

In said decision, the CA reasoned that considering the petition prayed that the CIAC be prohibited from further acting on the case and that the CIAC had rendered a Decision thereon, the petition had become moot and academic, there being nothing more to prohibit or enjoin.

The CA further ruled that the CIAC cannot be held in contempt inasmuch as when the Decision of the CIAC was issued on June 8, 2000, the TRO had already lapsed.<sup>[9]</sup>

From such Decision, Heritage filed a Motion for Reconsideration dated December 22, 2000. The CA denied the Motion for Reconsideration in the assailed Resolution dated May 7, 2001.

Thus, before the Court is this petition.

### **The Issues**

- I. The issue of jurisdiction raised by petitioner in the Court of Appeals was not rendered moot and academic by the promulgation of an invalid and illegal decision.
  - a. The Court of Appeals should have resolved the fundamental issue of jurisdiction despite the promulgation by the CIAC of its questionable decision.
  - b. A decision that was rendered in violation of an injunctive order is null and void and cannot have any legal effect.
  - c. Even assuming that respondent CIAC allegedly concluded the proceedings by the rendition of the assailed decision, the petition for prohibition should have been considered as a petition for certiorari as said petition raises issues directly assailing the jurisdiction of respondent CIAC.
- II. The proceedings before respondent CIAC having been conducted and resolved without impleading an indispensable party, the decision rendered in said proceeding is null and void and of no legal effect.
- III. Respondent CIAC did not have jurisdiction over the actual subject matter of the claim of respondent EDC.
- IV. Respondent CIAC cannot assume jurisdiction over a dispute without the agreement or consent of the petitioner to submit the dispute for arbitration before respondent CIAC.
- V. The act of respondent EDC in filing a case that involves a construction dispute with the regional trial court constitutes a waiver of its right to file an arbitration complaint with respondent CIAC.
- VI. The filing by respondent EDC before respondent CIAC of a claim that forms part and parcel of cause of action in the injunction case pending before RTC-Parañaque City constitutes forum-shopping
- VII. The proceedings before respondent CIAC and the eventual issuance of a decision therein constitutes a blatant violation of the constitutional right of the petitioner to due process of law.<sup>[10]</sup>

Restated, the issues are: (1) Did the "promulgation" of the CIAC Decision on May 16, 2000 violate the TRO issued by the CA? (2) Did the issuance of the CIAC Decision render the petition filed before the CA moot and academic? (3) Can the petition before the CA be considered as a petition for certiorari? (4) Is Heritage an indispensable party to the CIAC case? Did the non-inclusion of Heritage in the proceedings before the CIAC violate its right to due process? and (5) Is EDC guilty