

THIRD DIVISION

[G.R. No. 134692, December 08, 2000]

**ELISEO FAJARDO, JR. AND MARISSA FAJARDO, PETITIONERS,
VS. FREEDOM TO BUILD, INC., RESPONDENT.**

R E S O L U T I O N

VITUG, J.:

Petitioners seek a reconsideration of the decision of this Court, dated 01 August 2000, and assail the personality of respondent "Freedom to Build Incorporated" to institute the case in its own name. Petitioners contend that upon conveying the ownership of the De La Costa Homes Subdivision to the individual homeowners, now said to be represented by the De la Costa Homeowners' Association, respondent subdivision developer has lost any interest over the property. Petitioners maintain that private respondent, not being then the real party-in-interest, could not maintain the suit in its own name, even on account of a disclosed principal, and that the authorization from the homeowners' association, expressly empowering it to pursue the action in its behalf, does not cure this procedural deficiency.

In this regard, Section 2, Rule 3 of the New Rules of Civil Procedure provides:

"A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these rules, every action must be prosecuted or defended in the name of the real party-in-interest."

Essentially, the purpose of the rule on standing is to protect persons against undue and unnecessary litigations^[1] and to ensure that the court will have the benefit of having before it the real adverse parties in the consideration of a case.^[2] The rule, however, is not to be narrowly and restrictively construed,^[3] and its application should be neither dogmatic nor rigid at all times but viewed in consonance with extant realities and practicalities.^[4]

The interest of a party ordinarily is pecuniary and substantial,^[5] but it need not be the sole matter involved.^[6] Construction of the rule necessitates that one should look into the substantive issues to determine whether there is a logical nexus between the status asserted and the claim sought to be adjudicated.^[7]

The conveyance by respondent Freedom to Build Incorporated of its ownership over the property to the individual homeowners did not unavoidably mean its having lost altogether any interest in respect thereto. As the developer of the De la Costa Subdivision, respondent would naturally be concerned in seeing to it that the