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FIRST DIVISION

[G.R. No. 133240. November 15, 2000]

RUDOLF LIETZ HOLDINGS, INC., *petitioner, vs.* **THE REGISTRY OF DEEDS OF PARAÑAQUE CITY,** *respondent.*

SYNOPSIS

Petitioner amended its Articles of Incorporation to change its name from Rudolf Lietz, Incorporated to Rudolf Lietz Holdings, Inc. As a consequence of its change of name, petitioner, on November 20, 1997, filed a petition before the Regional Trial Court of Parañaque City seeking the amendment of the transfer certificates of title over real properties owned by the said corporation, all of which were under the old name. The petitioner impleaded the Registry of Deeds of Pasay City as respondent because the titles sought to be amended all state that they were issued by the Registry of Deeds of Pasay City. and alleged that the lands covered by the subject titles are located in Pasay City. On January 30, 1998, the court *a quo* dismissed the petition *motu proprio* on the ground of improper venue. Subsequently, petitioner learned that the subject titles are in the custody of the Register of Deeds of Parañaque City. Hence, on February 16, 1998, petitioner moved for leave of court to amend its petition. In the Amended Petition, petitioner impleaded instead as respondent the Registry of Deeds of Parañaque City, and alleged that its lands are located in Parañaque City. However, in view of the dismissal of the petition, the lower court denied the *Ex-Parte* Motion to Admit Amended Petition. Hence, this petition for review.

The Supreme Court granted the petition.

Rule 9, Section 1 of the 1997 Rules of Civil Procedure states that defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. The court may only dismiss an action *motu proprio* in case of lack of jurisdiction over the subject matter, *litis pendentia, res judicata* and prescription. Therefore, the trial court in this case erred when it dismissed the petition *motu proprio*. It should have waited

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for a motion to dismiss or a responsive pleading from respondent, raising the objection or affirmative defense of improper venue, before dismissing the petition. However, this was overtaken by petitioner's motion for leave to amend its petition.

Before the amended petition was filed, the trial court had already dismissed the petition based on improper venue. It relied on the allegation in the petition that the lands are located in Pasay City. However, the titles of the land, copies of which were attached to the petition, plainly showed that the lands involved are situated in Parañaque City. The trial court should have considered these annexes, as these form an integral part of the pleading. At the very least, the trial court should have allowed petitioner to amend its petition, for this was still a matter of right on its part.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; DISTINGUISHED FROM VENUE.** — While the ground invoked by the trial court in dismissing the petition below was clearly that of improper venue, the Solicitor General confuses venue with jurisdiction. A distinction between the two must be drawn. Jurisdiction over the subject matter or nature of an action is conferred only by law. It may not be conferred by consent or waiver upon a court which otherwise would have no jurisdiction over the subject matter of an action. On the other hand, the venue of an action as fixed by statute may be changed by the consent of the parties, and an objection on improper venue may be waived by the failure of the defendant to raise it at the proper time. In such an event, the court may still render a valid judgment. Rules as to jurisdiction can never be left to the consent or agreement of the parties. Venue is procedural, not jurisdictional, and hence may be waived. It is meant to provide convenience to the parties, rather than restrict their access to the courts as it relates to the place of trial.

2. **ID.; ID.; WHEN MAY BE DISMISSED *MOTU PROPIO* BY THE COURT.** — Rule 9, Section 1 of the 1997 Rules of Civil Procedure states that defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. The court may only dismiss an action *motu proprio* in case of lack

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of jurisdiction over the subject matter, *litis pendentia, res judicata* and prescription. Therefore, the trial court in this case erred when it dismissed the petition *motu proprio*. It should have waited for a motion to dismiss or a responsive pleading from respondent, raising the objection or affirmative defense of improper venue, before dismissing the petition. However, this was overtaken by petitioner's motion for leave to amend its petition.

3. ID.; ID.; PLEADINGS; WHEN MAY BE AMENDED AS A MATTER OF RIGHT. — At the very least, the trial court should have allowed petitioner to amend its petition, for this was still a matter of right on its part. *Amendments as a matter of right.* — A party may amend his pleading once as a matter of right at any time before a responsive pleading is served or, in the case of a reply, at any time within ten (10) days after it is served.

4. ID.; ID.; ID.; AMENDMENTS THEREOF ARE LIBERALLY ALLOWED IN FURTHERANCE OF JUSTICE; RATIONALE. — Amendments to pleadings are liberally allowed in furtherance of justice, in order that every case may so far as possible be determined on its real facts, and in order to speed the trial of cases or prevent the circuitry of action and unnecessary expense. The trial court, therefore, should have allowed the amendment proposed by petitioner for in so doing, it would have allowed the actual merits of the case to be speedily determined, without regard to technicalities, and in the most expeditious and inexpensive manner. The courts should be liberal in allowing amendments to pleadings to avoid multiplicity of suits and in order that the real controversies between the parties are presented, their rights determined and the case decided on the merits without unnecessary delay. This liberality is greatest in the early stages of a lawsuit, especially in this case where the amendment to the complaint was made before the trial of the case thereby giving petitioner all the time allowed by law to answer and to prepare for trial.

5. ID.; COURTS; REGIONAL TRIAL COURT; HAS JURISDICTION OVER PETITION FOR AMENDMENT OF CERTIFICATE OF TITLE. — Petitioner correctly invoked the jurisdiction of the Regional Trial Court in seeking the amendment of its certificates of title. The jurisdiction of the Regional Trial Court over matters involving the registration of lands and lands registered under

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the Torrens system is conferred by Section 2 of Presidential Decree No. 1529, The Property Registration Decree, More specifically, jurisdiction over petitions for amendments of certificates of title, such as the one brought below, is provided for by Section 108 of P.D. 1529, thus: x x x

APPEARANCES OF COUNSEL

Ricardo J.M. Rivera Law Office for petitioner.
The Solicitor General for respondent.

D E C I S I O N

YNARES-SANTIAGO, *J.*:

The instant petition for review is filed on a pure question of law arising from the Decision rendered by the Regional Trial Court of Parañaque City, Metro Manila, Branch 257, in LRC Case No. 97-0170.

Petitioner corporation was formerly known as Rudolf Lietz, Incorporated. On July 15, 1996, it amended its Articles of Incorporation to change its name to Rudolf Lietz Holdings, Inc. The Amended Articles of Incorporation was approved by the Securities and Exchange Commission on February 20, 1997.[1]

As a consequence of its change of name, petitioner sought the amendment of the transfer certificates of title over real properties, owned by the said corporation, all of which were under the old name, Rudolf Lietz, Incorporated. For this purpose, petitioner instituted, on November 20, 1997, a petition for amendment of titles with the Regional Trial Court of Parañaque City, docketed as LRC Case No. 97-0170.[2]

The petition impleaded as respondent the Registry of Deeds of Pasay City, apparently because the titles sought to be amended, namely, Transfer Certificates of Title Nos. 99446, 99447, 99448,

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[1] *Rollo*, p. 38.

[2] *Ibid.*, pp. 19-21.

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102486, 102487, 102488 and 102489,[3] all state that they were issued by the Registry of Deeds of Pasay City. Petitioner likewise inadvertently alleged in the body of the petition that the lands covered by the subject titles are located in Pasay City.

Subsequently, petitioner learned that the subject titles are in the custody of the Register of Deeds of Parañaque City.[4] Hence, on February 16, 1998, petitioner filed an *Ex-Parte* Motion to Admit Amended Petition.[5] In the attached Amended Petition,[6] petitioner impleaded instead as respondent the Registry of Deeds of Parañaque City, and alleged that its lands are located in Parañaque City.

In the meantime, however, on January 30, 1998, the court *a quo* had dismissed the petition *motu proprio* on the ground of improper venue, it appearing therein that the respondent is the Registry of Deeds of Pasay City and the properties are located in Pasay City.[7]

Before counsel for petitioner could receive an official copy of the aforesaid order of dismissal, he filed with the lower court a Motion for Reconsideration.[8] On February 20, 1998, in view of the dismissal of the petition, the lower court denied the *Ex-Parte* Motion to Admit Amended Petition.[9] On March 30, 1998, the lower court denied the Motion for Reconsideration.[10]

Petitioner, thus, is before this Court arguing that —

The court *a quo* acted contrary to the rules and jurisprudence on the matter for the following reasons:

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[3] *Id.*, pp. 22-35.

[4] *Id.*, p. 49.

[5] *Id.*, pp. 39-40.

[6] *Id.*, pp. 41-43.

[7] *Id.*, p. 17.

[8] *Id.*, pp. 44-47.

[9] *Id.*, p. 50.

[10] *Id.*, p. 18.

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1. It has no power to immediately dismiss an initiatory pleading for improper venue;
2. Assuming the Order of 30 January 1998 was proper, it was nevertheless still a matter of right on petitioner's part to amend its petition in order to correct the wrong entries therein; and
3. The unassailable reality is that the subject parcels of land are located in Parañaque City, so venue was properly laid despite that erroneous allegation in the original petition.[11]

The Solicitor General filed on November 4, 1998 his Comment.[12] He contends that the trial court did not acquire jurisdiction over the *res* because it appeared from the original petition that the lands are situated in Pasay City; hence, outside the jurisdiction of the Parañaque court. Since it had no jurisdiction over the case, it could not have acted on the motion to admit amended petition.

On February 15, 1999, petitioner filed its Reply.[13] It discussed the distinction between jurisdiction and venue, and maintained that the trial court had jurisdiction over the petition, but that venue appeared to be improperly laid based on the erroneous allegation therein on the location of the properties.

The issue involved herein is simple. May the trial court *motu proprio* dismiss a complaint on the ground of improper venue? This question has already been answered in *Dacoycoy v. Intermediate Appellate Court*,[14] where this Court held that it may not.

While the ground invoked by the trial court in dismissing the petition below was clearly that of improper venue,[15] the Solicitor

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[11] Petition, p. 6.

[12] *Rollo*, pp. 67-71.

[13] *Ibid.*, pp. 78-79.

[14] 195 SCRA 641 (1991).

[15] Order dated January 30, 1998; Annex "A", *Rollo*, p. 17.

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General confuses venue with jurisdiction. A distinction between the two must be drawn. Jurisdiction over the subject matter or nature of an action is conferred only by law.[16] It may not be conferred by consent or waiver upon a court which otherwise would have no jurisdiction over the subject matter of an action. On the other hand, the venue of an action as fixed by statute may be changed by the consent of the parties, and an objection on improper venue may be waived by the failure of the defendant to raise it at the proper time. In such an event, the court may still render a valid judgment. Rules as to jurisdiction can never be left to the consent or agreement of the parties. Venue is procedural, not jurisdictional, and hence may be waived. It is meant to provide convenience to the parties, rather than restrict their access to the courts as it relates to the place of trial.[17]

In *Dacoycoy v. IAC*, this Court ruled:

> The *motu proprio* dismissal of petitioner's complaint by respondent trial court on the ground of improper venue is plain error, obviously attributable to its inability to distinguish between jurisdiction and venue.
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> Questions or issues relating to venue of actions are basically governed by Rule 4 of the Revised Rules of Court. It is said that the laying of venue is procedural rather than substantive. It relates to the jurisdiction of the court over the person rather than the subject matter. Provisions relating to venue establish a relation between the plaintiff and the defendant and not between the court and the subject matter. Venue relates to trial not to jurisdiction, touches more of the convenience of the parties rather than the substance of the case.
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> xxx xxx xxx
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> Dismissing the complaint on the ground of improper venue is certainly not the appropriate course of action at this stage of the proceedings, particularly as venue, in inferior courts as well as in the courts of first instance (now RTC), may be waived expressly or impliedly. Where the defendant fails to challenge timely the venue

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[16] *Republic v. Estipular*, G.R. No. 136588, July 20, 2000.

[17] *Heir of Lopez v. De Castro*, G.R. No. 112905, February 3, 2000.

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in a motion to dismiss as provided by Section 4 of Rule 4 of the Rules of Court, and allows the trial to be held and a decision to be rendered, he cannot on appeal or in a special action be permitted to belatedly challenge the wrong venue, which is deemed waived.

Thus, unless and until the defendant objects to the venue in a motion to dismiss, the venue cannot be truly said to have been improperly laid, as for all practical intents and purposes, the venue, though technically wrong, may be acceptable to the parties for whose convenience the rules on venue had been devised. The trial court cannot pre-empt the defendant's prerogative to object to the improper laying of the venue by *motu proprio* dismissing the case.

Indeed, it was grossly erroneous for the trial court to have taken a procedural short-cut by dismissing *motu proprio* the complaint on the ground of improper venue without first allowing the procedure outlined in the rules of court to take its proper course. Although we are for the speedy and expeditious resolution of cases, justice and fairness take primary importance. The ends of justice require that respondent trial court faithfully adhere to the rules of procedure to afford not only the defendant, but the plaintiff as well, the right to be heard on his cause.[18]

Rule 9, Section 1 of the 1997 Rules of Civil Procedure states that defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. The court may only dismiss an action *motu proprio* in case of lack of jurisdiction over the subject matter, *litis pendentia, res judicata* and prescription. Therefore, the trial court in this case erred when it dismissed the petition *motu proprio*. It should have waited for a motion to dismiss or a responsive pleading from respondent, raising the objection or affirmative defense of improper venue, before dismissing the petition. However, this was overtaken by petitioner's motion for leave to amend its petition.

Petitioner correctly invoked the jurisdiction of the Regional Trial Court in seeking the amendment of its certificates of title. The jurisdiction of the Regional Trial Court over matters involving the registration of lands and lands registered under the Torrens

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[18] *Supra.*, at 643-46.

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system is conferred by Section 2 of Presidential Decree No. 1529, The Property Registration Decree, *viz*:

Nature of registration proceedings; jurisdiction of courts. — Judicial proceedings for the registration of lands throughout the Philippines shall be in *rem* and shall be based on the generally accepted principles underlying the Torrens system.

Courts of First Instance (now Regional Trial Courts) shall have exclusive jurisdiction over all applications for original registration of title to lands, including improvements and interest therein, and over all petitions filed after original registration of title, with power to hear and determine all questions arising upon such applications or petitions. The court through its clerk of court shall furnish the Land Registration Commission with two certified copies of all pleadings, exhibits, orders, and decisions filed or issued in applications or petitions for land registration, with the exception of stenographic notes, within five days from the filing or issuance thereof.

More specifically, jurisdiction over petitions for amendments of certificates of title, such as the one brought below, is provided for by Section 108 of P.D. 1529, thus:

Amendment and alteration of certificates. — No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by the Register of Deeds, except upon order of the proper Court of First Instance (now Regional Trial Court). *A registered owner or other person having an interest in registered property*, or, in proper cases, the Register of Deeds with the approval of the Commissioner of Land Registration, *may apply by petition to the court upon the ground* that the registered interests of any description, whether vested, contingent, expectant inchoate appearing on the certificate, have terminated and ceased; or that new interest not appearing upon the certificate have arisen or been created; or that an omission or error was made in entering a certificate or any memorandum thereon, or on any duplicate certificate; or *that the name of any person on the certificate has been changed*; or that the registered owner has married, or, if registered as married, that the marriage has been terminated and no right or interest of heirs or creditors will thereby be affected, or that a corporation which owned registered land and has been dissolved has not conveyed the same

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within three years after its dissolution; or upon any other reasonable ground and the court may hear and determine the petition after notice to all parties in interest, and may order the entry or cancellation of a new certificate, or grant any other relief upon such terms and conditions, requiring security or bond if necessary, as it may consider proper: x x x. (Italics ours.)

In the case at bar, the lands are located in Parañaque City, as stated on the faces of the titles. Petitioner, thus, also correctly filed the petition in the place where the lands are situated, pursuant to the following rule:

Venue of real actions. — Actions affecting title to or possession of real property, or interest therein, shall be commenced and tried in the proper court which has jurisdiction over the area wherein the real property involved, or a portion thereof, is situated.[19]

Petitioner, however, named as respondent the Register of Deeds of Pasay City, under the mistaken impression that it was still the custodian of the titles to lands in Parañaque. Later, petitioner learned that a Register of Deeds for Parañaque City had taken over the record and custody of titles therein. Petitioner, thus, promptly moved for leave of court to amend its petition. This, to our mind, was justified. In preparing its amended petition, petitioner likewise corrected its allegation on the location of the lands involved.

Before the amended petition was filed, the trial court had already dismissed the petition based on improper venue. It relied on the allegation in the petition that the lands are located in Pasay City. However, the titles of the land, copies of which were attached to the petition, plainly show that the lands involved are situated in Parañaque City. The trial court should have considered these annexes, as these form an integral part of the pleading.

At the very least, the trial court should have allowed petitioner to amend its petition, for this was still a matter of right on its part.

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[19] 1997 RULES OF CIVIL PROCEDURE, Rule 4, Section 1, first paragraph.

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Amendments as a matter of right. — A party may amend his pleading once as a matter of right at any time before a responsive pleading is served or, in the case of a reply, at any time within ten (10) days after it is served.[20]

Amendments to pleadings are liberally allowed in furtherance of justice, in order that every case may so far as possible be determined on its real facts, and in order to speed the trial of cases or prevent the circuitry of action and unnecessary expense.[21] The trial court, therefore, should have allowed the amendment proposed by petitioner for in so doing, it would have allowed the actual merits of the case to be speedily determined, without regard to technicalities, and in the most expeditious and inexpensive manner.[22]

The courts should be liberal in allowing amendments to pleadings to avoid multiplicity of suits and in order that the real controversies between the parties are presented, their rights determined and the case decided on the merits without unnecessary delay. This liberality is greatest in the early stages of a lawsuit, especially in this case where the amendment to the complaint was made before the trial of the case thereby giving petitioner all the time allowed by law to answer and to prepare for trial.[23]

WHEREFORE, the petition for review is *GRANTED*. The Orders dated January 30, 1998, February 20, 1998, and March 30, 1998 are *REVERSED and SET ASIDE*. LRC Case No. 97-0170 is ordered *REINSTATED*.

SO ORDERED.

Davide, Jr., C.J. (Chairman), Puno, Kapunan, and *Pardo, JJ.*, concur.

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[20] 1997 RULES OF CIVIL PROCEDURE, Rule 10, Section 2.

[21] *Ventura v. Militante* G.R. No. 63145 October 5, 1999.

[22] 1997 RULES OF CIVIL PROCEDURE, Rule 10, Section 1.

[23] *Refugia v. Alejo,* G.R. No. 138674, June 22, 2000.