

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

**AYALA LAND, INC.,
*Petitioner,***

-versus-

**G.R. No. 135899
February 2, 2000**

**MARIETTA VALISNO,
*Respondent.***

X-----X

DECISION

YNARES-SANTIAGO, J.:

This is a Petition for Review of the Decision dated May 29, 1998 and Resolution dated October 13, 1998 of the Court of Appeals in CA-G.R. SP No. 47122. The dispositive portion of the assailed Decision reads:

WHEREFORE; judgment is hereby rendered finding AYALA guilty of deliberate and willful “forum-shopping” in filing aforementioned five (5) separate Civil Cases before the different RTCs; and, in view thereof, said five (5) cases (Annexes “C” to “G” of the Petition) are hereby ordered dismissed with prejudice as against petitioner; and that the lower court’s Order of October 27, 1997 and the Order of January 5, 1998, for finding otherwise, are hereby SET ASIDE for being plainly contrary to

law and issued in grave abuse of discretion amounting to lack or excess of jurisdiction.

SO ORDERED.^[1]

Petitioner Ayala Land, Inc. alleges that it is the registered owner of several contiguous parcels of land in Las Piñas City. When it began to develop its properties into a residential subdivision, petitioner became aware of adverse claims of ownership over the properties from several persons. Among these claimants is respondent Marietta Valisno, who asserts ownership over 1,082,959 square meters of land registered in her name under Transfer Certificate of Title No. (273301) RT-4 of the Registry of Deeds of Las Piñas, Metro Manila.^[2] On the premise that portions of respondent's claimed land overlap petitioner's properties covered in fourteen of petitioner's torrens titles, petitioner instituted actions to quiet its titles. Since petitioner's entire property in Las Piñas is allegedly covered by twenty-one separate torrens titles, petitioner contends that it could have brought twenty-one distinct actions to quiet title. Upon advice of counsel, however, petitioner resolved to file only eight cases on a "per lot/per TCT (or sets thereof)" basis. Other considerations dividing or grouping together petitioner's causes of action were the number of claimants, the sizes of the claims, the contiguity of the lots involved, the manageability of litigating its claims and the speed in the adjudication thereof. Among those eight cases, respondent was named respondent in five of them, to wit:

- (a) Civil Case No. 93-3685 of the Regional Trial Court of Makati City, Branch 56, filed on October 14, 1993;
- (b) Civil Case No. 94-467 originally of the Regional Trial Court of Makati City and transferred to the Regional Trial Court of Las Piñas City, Branch 275, filed on February 7, 1994;
- (c) Civil Case No. 94-468 of the Regional Trial Court of Makati City, Branch 64, filed on February 7, 1994;
- (d) Civil Case No. 94-1432 originally of the Regional Trial Court of Makati City and transferred to the Regional Trial

Court of Las Piñas City, Branch 275, filed on April 8, 1994;
and

- (e) Civil Case No. LP-97-0058 of the Regional Trial Court of Las Piñas City, Branch 253, filed on February 21, 1997.

Respondent, on the other hand, filed with the Regional Trial Court of Las Piñas City, Branch 253, on March 6, 1997 an action against petitioner and several others, docketed as Civil Case No. LP-97-0064, wherein she claimed ownership of the 1,082,959 square meter tract of land covered by her TCT No. (273301) RT-4 and prayed that petitioner's TCT Nos. 41263, 41262, 41325, 41326, 15644, 26878 and 41259, among others, be declared null and void.

Both parties accused each other of forum-shopping. Petitioner moved to cite respondent in contempt of court for filing Civil Case LP-97-0064. This, according to petitioner, constituted forum-shopping inasmuch as respondent's claims therein were in reality compulsory counterclaims which she could have and should have pleaded in the cases initiated by petitioner against her. Respondent, for her part, filed motions to hold petitioner guilty of forum-shopping for filing five distinct cases all on the ground that her lands overlapped those of petitioner.

In the meantime, respondent filed a motion to transfer the venue of Civil Case No. 94-468 from Makati City to Las Piñas City.

On January 8, 1998, the Hon. Jose F. Caoibes, Presiding Judge of the Regional Trial Court of Las Piñas City, Branch 253, before whom Civil Cases Nos. LP-97-0058 and LP-97-0064 were both pending, found petitioner guilty of forum-shopping, ordered the dismissal of the complaint in Civil Case No. LP-97-0058 and maintained Civil Case No. LP-97-0064 filed by respondent against petitioner. After petitioner's motion for reconsideration was denied, it appealed the order of dismissal of Civil Case No. LP-97-0058 to the Court of Appeals.^[3] Insofar as the order absolving respondent of liability for forum-shopping, petitioner brought a special civil action for certiorari also with the Court of Appeals.^[4]

On the other hand, Judge Alfredo Enriquez of the Regional Trial Court of Las Piñas, Branch 275, before whom Civil Cases Nos. 94-467 and 94-1432 were pending, denied respondent's motion to cite petitioner guilty of forum-shopping and found respondent guilty of forum-shopping in filing Civil Case No. LP-97-0064 in an Order dated June 8, 1998.^[5]

In Civil Case No. 93-3685 before the Regional Trial Court of Makati City, Branch 56, Judge Nemesio Felix issued an Order on March 4, 1998 dismissing the charges of both parties against each other.

In the precursor to the instant petition, Civil Case No. 94-468, Judge Delia Panganiban of the Regional Trial Court of Makati City, Branch 64, issued an Order on October 27, 1997 the pertinent portion of which reads:

In both instances, neither Ayala Land, Inc., nor Marietta Valisno is guilty of forum-shopping. The Motions to Cite either party in contempt of Court are DENIED.

WHEREFORE, the Motion praying for the transfer of the records of this case to RTC of Las Piñas is DENIED. Finding that neither party is guilty of forum shopping, the two (2) Motions to Cite in Contempt are both DENIED.^[6]

Petitioner filed a Motion for Partial Reconsideration^[7] while respondent filed a Motion for Reconsideration^[8] of the above Order, both of which were denied by Judge Panganiban in an Order dated January 5, 1998.^[9]

Respondent thus filed a petition for certiorari with the Court of Appeals, docketed as CA-G.R. SP No. 47122.^[10] On May 29, 1998, the Court of Appeals rendered the appealed Decision^[11] finding petitioner guilty of forum-shopping and ordering the dismissal of the five cases filed by petitioner notwithstanding that the subject of the petition for certiorari was a mere incident in Civil Case No. 94-468. The dispositive portion of the Decision states:

WHEREFORE, judgment is hereby rendered finding AYALA guilty of deliberate and willful "forum-shopping" in filing

aforementioned five (5) separate Civil Cases before the different RTCs; and in view thereof, said five (5) cases (Annexes “C” to “G” of the petition) are hereby ordered dismissed with prejudice as against petitioner; and that the lower court’s Order of October 27, 1997 and the Order of January 5, 1998, for finding otherwise, are hereby SET ASIDE for being plainly contrary to law and issued in grave abuse of discretion amounting to lack or excess of jurisdiction.

SO ORDERED.^[12]

Petitioner’s Motion for Reconsideration^[13] was denied by the Court of Appeals in its assailed Resolution^[14] of October 13, 1998. The dispositive portion reads:

WHEREFORE, the Motion for Reconsideration is hereby DENIED. Let a copy hereof be furnished the Fifteenth Division of this Court in CA-G.R. No. 48230 but only for its information, and the Regional Trial Courts, to wit, RTC Makati, Br. 56 (in Civil Case No. 93-3685); RTC Las Piñas, Br. 64 [should be Br. 275] (in Civil Case Nos. 94-467 and 94-1432); RTC Makati, Br. 64 (in Civil Case No. 94-468); RTC, Las Piñas Br. 253 (in Civil Case No. 97-0058), for their compliance and implementation.

SO ORDERED.^[15]

Petitioner, thus, brought the present petition for review relying on the following grounds:

I

THE COURT OF APPEALS DECIDED A QUESTION OF SUBSTANCE NOT IN ACCORD WITH THE RULES OF COURT, PRECEDENTS AND REMEDIAL LAW AUTHORITIES, WHEN IT DECLARED PETITIONER TO HAVE SHOPPED FOR A FORUM, DESPITE ITS EXPRESS FINDING THAT THE CASES FILED BY PETITIONER INVOLVED DISTINCT CAUSES OF ACTION.

II

THE COURT OF APPEALS DECIDED A QUESTION OF SUBSTANCE , NOT IN ACCORD WITH THE LAWS ON HUMAN RELATIONS AND APPLICABLE PRECEDENTS, WHEN IT DECLARED PETITIONER’S FILING OF CASES FOR DISTINCT CAUSES OF ACTION AS AN ABUSE OF RIGHT.

III

THE COURT OF APPEALS DISREGARDED THE RULES OF COURT AND APPLICABLE DECISIONS OF THE SUPREME COURT WHEN IT REFUSED TO HOLD RESPONDENT GUILTY OF FORUM SHOPPING IN FILING A CASE (CIVIL CASE NO. 97-0064) IN WHICH THE RELIEFS PRAYED FOR WERE ESSENTIALLY COMPULSORY COUNTERCLAIMS IN RELATION TO THE CASES FILED BY PETITIONER.

IV

THE COURT OF APPEALS DEPARTED FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS WHEN IT ORDERED THE DISMISSAL OF CASES NOT BEFORE IT.

V

AS AN ALTERNATIVE GROUND, THE COURT OF APPEALS DISREGARDED APPLICABLE PRECEDENTS AND DEPARTED FROM THE USUAL AND ACCEPTED COURSE OF JUDICIAL PRECEDENTS WHEN IT DISMISSED THE CASES FILED BY AYALA, INSTEAD OF ORDERING CONSOLIDATION.^[16]

On March 3, 1999, this Court denied the petition for “failure to sufficiently show that the Court of Appeals had committed any reversible error in the questioned judgment to warrant the exercise by this Court of its discretionary appellate jurisdiction in this case.”^[17]

On May 4, 1999, petitioner filed a Motion for Reconsideration and Motion to Refer the Case to the Supreme Court En Banc.^[18] Petitioner insisted that inasmuch as both the Court of Appeals and respondent Marietta Valisno acknowledged that every overlap on its titles presented a distinct cause of action which may or may not be joined in one suit, there could have been no forum-shopping. And even-assuming that there was, petitioner contended that the same was neither willful nor deliberate; hence, the dismissal of the cases was unduly harsh. Petitioner further argued that the Court of Appeals could not have validly ordered the dismissal of cases not before it, and that what it could have done was to order the consolidation of the cases rather than their dismissal. In support of its motion to refer the case to the Court en banc, petitioner pointed to the conflicting rulings of the different trial courts on the matter of whether or not petitioner forum-shopped, thus, necessitating a referral to the banc.

In a Resolution dated August 18, 1999, This Court granted petitioner's motion for reconsideration, reinstated the petition and required respondent to comment on the petition. However, petitioner's motion to refer the case to this Court en banc was denied.

In her comment, respondent argued, in fine, that the Court of Appeals did not commit any reversible error; that petitioner's act of filing five separate actions against her before different courts praying for exactly the same relief to declare her TCT No. (273301) RT-4 null and void constitute forum-shopping, bad faith and abuse of right; and the Court of Appeals has the competence and jurisdiction to dismiss all five actions filed by petitioner.

Forum-shopping exists when the elements of *litis pendentia* are present or where a final judgment in one case will amount to *res judicata* in another.^[19] *Litis pendentia* requires the concurrence of the following requisites:

1. Identity of parties, or at least such parties as those representing the same interests in both actions;
2. Identity of rights asserted and reliefs prayed for, the reliefs being founded on the same facts; and

3. Identity with respect to the two preceding particulars in two cases, such that any judgment that may be rendered in the pending case, regardless of which party is successful, would amount to *res judicata* in the other case.^[20]

As explained by this Court in *First Philippine International Bank vs. Court of Appeals*, forum-shopping exists where the elements of *litis pendentia* are present, and where a final judgment in one case will amount to *res judicata* in the other. Thus, there is forum shopping when, between an action pending before this Court and another one, there exist: “a) identity of parties, or at least such parties as represent the same interests in both actions, b) identity of rights and relief prayed for, the relief being founded on the same facts, and c) identity of the two preceding particulars is such that any judgment rendered in the other action, will, regardless of which party is successful, amount to *res judicata* in the action under consideration; said requisites also constitutive of the requisites for *auter action pendant* or *lis pendens*.” Another case elucidates the consequence of forum-shopping: “[W]here a litigant sues the same party against whom another action or actions for the alleged violation of the same right and the enforcement of the same relief is/are still pending, the defense of *litis pendentia* in one case is a bar to the others; and, a final judgment in one would constitute *res judicata* and thus would cause the dismissal of the rest.”^[21]

In this case, while there may be identity of parties and of some reliefs prayed for, any judgment rendered in one of the actions filed by petitioner will not amount to *res judicata* in the other actions. The following are the elements of *res judicata*:

1. The final judgment must be final;
2. The court which rendered the judgment must have jurisdiction over the parties and the subject matter;
3. It must be a judgment on the merits; and
4. There must be between the first and second actions identity of parties, subject matter, and cause of action.^[22]

It should be recalled that the five actions filed by petitioner were for quieting of title based on separate certificates of title. Hence, the subject matters involved are different in each case. As such, the cases alleged different causes of action. Corollarily, a judgment in any one case will not affect the issue in the other cases inasmuch as those pertain to different lands covered by different certificates of title. Consequently, petitioner could not have been guilty of forum-shopping.

Therefore, all five cases filed by petitioner against respondent Marietta Valisno, which were ordered dismissed by the Court of Appeals, are hereby revived, and ordered consolidated to be jointly tried before the Regional Trial Court of Las Piñas City, where the real property is situated, pursuant to Rule 4, Section 1, first paragraph of the 1997 Rules of Civil Procedure, to enable petitioner and respondent to fully ventilate all issues between them in one proceeding.

SO ORDERED.

Davide, Jr., C.J., Puno, Kapunan and Pardo, JJ., concur.

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- [1] Penned by Justice Demetrio G. Demetria, concurred in by Justices Minerva P. Gonzaga-Reyes and Ramon Barcelona; Rollo, p. 102.
- [2] Rollo, pp. 268-273.
- [3] CA-G.R. CV No. 59574.
- [4] CA-G.R. SP No. 48230.
- [5] Rollo, pp. 326-328.
- [6] Rollo, pp. 329-333.
- [7] Rollo, pp. 334-341.
- [8] Rollo, pp. 342-347.
- [9] Rollo, p. 348.
- [10] Rollo, pp. 349-380.
- [11] Rollo, pp. 92-103.
- [12] Rollo, p. 102.
- [13] Rollo, pp. 416-417.
- [14] Rollo, pp. 105-113.
- [15] Rollo, p. 113.
- [16] Rollo, pp. 51-52.
- [17] Rollo, p. 499.
- [18] Rollo, pp. 500-527.

- [19] *Alejandrino vs. Court of Appeals*, 295 SCRA 536, 554 (1998); *Philippine Woman's Christian Temperance Union, Inc. vs. Abiertas House of Friendship, Inc.*, 292 SCRA 785, 794 (1998).
- [20] *Philippine Woman's Christian Temperance Union, Inc. vs. Abiertas House of Friendship Inc.*, *supra.*, at 791; citations omitted.
- [21] *Prubankers Association vs. Prudential Bank & Trust Company*, 302 SCRA 74, 83-84 (1999).
- [22] *Saura vs. Saura, Jr.*, G.R. 136159, September 1, 1999.

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