

Title:

Lajave Agricultural Management and Development Enterprises, Inc. vs. Spouses Agustin Javellana and Florence Apilis-Javellana

Facts:

Agustin Javellana, along with his siblings, inherited 49 hectares in Silay City, Negros Occidental from his late father, Justice Luis Javellana. On May 13, 1998, Agustin entered a 10-year lease contract with Lajave for 7 hectares of this property to grow sugarcane. The lease expired after the 1997-1998 crop year, but Lajave continued to occupy the land without a renewed agreement. Agustin contends that this occupancy was merely tolerated, while also alleging delayed and insufficient rent payments.

Demand letters to vacate the property were sent to Lajave by Agustin on March 1, 2010, and March 5, 2012, for the properties in Silay City and Talisay City, respectively. Lajave did not comply, prompting Agustin to file unlawful detainer complaints in the respective Municipal Trial Court in Cities (MTCC), which were dismissed for lack of jurisdiction and cause of action.

Agustin then filed a separate civil case (No. 12-41648) for the collection of rent deficiencies from 2000-2009, amounting to P324,494.88, based on national average millsite composite price provided by the Sugar Regulatory Administration. Lajave responded with a Motion to Dismiss, citing rules against splitting a single cause of action, *litis pendentia*, and arguing that Agustin was guilty of forum shopping. The Metropolitan Trial Court (MeTC) granted the motion, leading Agustin to appeal to the Regional Trial Court (RTC), which affirmed the MeTC's decision with modification, stating that the dismissal was without prejudice.

Agustin further appealed to the Court of Appeals under Rule 42, which overturned the RTC and reinstated Civil Case No. 38-41648. Lajave then appealed to the Supreme Court.

Issues:

1. Whether arrears in rentals/compensation for the use and occupation of leased premises are damages that should be recovered only in an action for unlawful detainer instituted by the landowner against an alleged deforciant.
2. Whether the decision of the Court of Appeals, allowing an independent action for collection of sum of money during the pendency of unlawful detainer cases, conforms with the law or Supreme Court jurisprudence.
3. Whether the refusal of the Court of Appeals to affirm the ordered dismissal of Agustin's

collection case in MTC constitutes a departure from accepted judicial proceedings.

#### Court's Decision:

The Supreme Court denied the petition, upholding the decision of the Court of Appeals. The Supreme Court clarified that *litis pendentia* and forum shopping were not applicable since there was no identity of causes of action between the unlawful detainer cases and the collection of the sum of money case. In the unlawful detainer cases, the issue is possession, and damages are limited to compensation for the use and occupation of the property. In contrast, the collection of sum of money case pertains to unpaid rental fees and necessitates a full trial to determine the correct amount owed. The Court emphasized that summary proceedings in ejectment cases cannot adequately address the specific and complex issues raised in a claim for rent deficiencies.

#### Doctrine:

The key doctrines established or reiterated are *litis pendentia*, forum shopping, *res judicata*, and the prohibition on the splitting of causes of action. The Court clarified the application of these principles, emphasizing that a collection of sum of money claim must have a direct relation to the loss of material possession, and that such claims cannot be litigated in ejectment suits due to misjoinder of causes of action.

#### Class Notes:

##### Key elements or concepts:

- *Litis pendentia*: the concurrent existence of two cases involving the same parties, for the same cause, with the risk of conflicting judgments.
- Forum shopping: the practice of a party filing multiple cases based on the same cause of action.
- *Res judicata*: a matter that has been adjudicated by a competent court and may not be pursued further by the same parties.
- Splitting of causes of action: filing multiple cases for different parts of the same cause of action, which is prohibited.

#### Historical Background:

This case illustrates the conflicts that can arise out of lease agreements when the agreed terms, such as rent payments, are not adhered to, and when post-lease relations are not properly formalized. Amid the 1990s Philippine legal landscape, the case reflects the application of the 1997 Rules of Civil Procedure regarding possession, ejectment, and payment disputes, indicating the necessity for clear contractual provisions and adherence to

legal procedures.