

Title: Unicapital Inc., Unicapital Realty Inc., and Jaime J. Martirez vs. Rafael Jose Consing Jr. and Hon. Marissa Macaraig-Guillen; Rafael Jose Consing Jr. vs. Unicapital Inc. and Hon. Marissa Macaraig-Guillen (G.R. Nos. 175277, 175285, and 192073) ^{Digest)}

Facts:

In 1997, Rafael Jose Consing Jr. (Consing Jr.) and his mother, Cecilia Dela Cruz, acquired a loan amounting to approximately P18,000,000.00 from Unicapital Inc. (Unicapital) which was secured by a promissory note and a real estate mortgage over a parcel of land in Imus, Cavite registered under Dela Cruz's name. Unicapital, through its subsidiary Unicapital Realty Inc. (URI), along with Plus Builders Inc. (PBI), showed interest in developing the property. Over time, Dela Cruz decided to sell the property in favor of Unicapital and PBI. Consequently, Consing Jr., as Dela Cruz's attorney-in-fact, facilitated this sale.

In due course, Unicapital purchased half of the property while PBI acquired the remaining half. Titles were issued in favor of URI and PBI respectively. However, subsequent investigations by Teng & Yu contested the legality of Dela Cruz's title and claimed ownership over the same land, alleging it was forged.

Due to potential ownership disputes, further investigations by PBI also pointed towards dubious origin of Dela Cruz's title. Consequently, Unicapital and PBI demanded the return of the purchase money paid, leading to compulsory actions and transactions between Consing Jr., Dela Cruz, Unicapital, and PBI.

To avert such demands and actions, Consing Jr. filed a complex action for declaratory relief, amended to injunctive relief against Unicapital et al. in RTC-Pasig City. Consing Jr. alleged harassment, coercion, libel, and ultra vires acts against him.

Unicapital and PBI respectively filed separate motions to dismiss Consing Jr.'s complaint. However, the RTC-Pasig City denied the motions based on the sufficiency of the alleged causes of action relating to tort and damages. Unicapital, et al. elevated the matter to the CA but the CA upheld RTC-Pasig's denial.

Separately, Unicapital filed a complaint for a sum of money with damages before RTC-Makati City against Consing Jr. and Dela Cruz. Consing Jr. then motioned for consolidation of cases pending in Pasig and Makati City, but the RTC-Makati City dismissed his motion and such denial was again upheld by the CA.

Issues:

1. Whether or not the CA erred in upholding the RTC-Pasig City's denial of Unicapital et al.'s motion to dismiss.
2. Whether or not the CA erred in upholding the RTC-Makati City's denial of Consing Jr.'s motion for consolidation.

Court's Decision:

Issue 1:

The Supreme Court concluded that Consing Jr.'s complaint presents an adequate cause of action. The allegations, including the harassing claims and coercive actions by Unicapital and PBI, which if taken at face value, justify relief under Articles 19 and 26 of the Civil Code. The Court emphasized the principle wherein a complaint shall not be dismissed if it sufficiently states facts which justify the relief demanded. Further, pay attention to principles covering Article 26 for actions involving libel, as these grounds can substantiate claims of damages even if defamatory utterances were not explicitly detailed.

The Supreme Court also opined that supposed deficiencies in docket fee payment did not merit the automatic dismissal of the case; instead, deficiencies should be subject to payment eventually, aligning with the fair treatment provision *lex jurisprudence* under the Philippine legal practice. Lastly, compliance with verification and certification rules, while minimal, was deemed satisfactory rendering the trial court's processing within acceptable bounds.

Issue 2:

As regards the consolidation of cases, the Supreme Court upheld both the RTC-Makati City's and CA's judgments in denying Consing Jr.'s motion for consolidation. While recognizing the benefits of consolidating cases involving identical parties to save judicial resources and avoid conflicting decisions, the Supreme Court endorsed the lower courts' findings that such consolidation between Civil Case No. 99-1418 and SCA No. 1759 was impracticable given their different sources of obligation and procedural progress. The Court cited Section 1, Rule 31 of the Rules of Court emphasizing discretionary power vested upon trial courts relating to consolidation while also affirming practical considerations and risks inherent in consolidating these particular cases.

Doctrine:

1. ****Cause of Action Sufficiency**** - A complaint asserting a cause of action sufficiently if hypothetically admitted, justifies the relief demanded [Article 19, 26 Civil Code].
2. ****Joinder of Causes of Action**** - A complaint should not be dismissed simply on

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misjoinder grounds; such causes may be severed and handled separately [Sec. 5, Rule 2
Rules of Court].

3. **Jurisdiction and Docket Fees** - Delayed or underpayment of docket fees does not automatically dismiss a case provided they are subsequently paid within reasonable bounds [Doctrine: Jurisdiction and Non-payment of Fees].

4. **Consolidation of Cases** - Consolidating pending actions is discretionary decided by trial courts based upon distinctions in causes of action and practical considerations [Sec. 1, Rule 31 Rules of Court].

Class Notes:

1. **Elements of a Cause of Action** - Asserting facts leading to relief demanded.
2. **Defamation and Article 19, 26 Civil Code** - Abuse of rights and reputation defamation sufficing for civil tort claims.
3. **Proper pleading Verification** - Compliance with procedural rules averts dismissal.
4. **Jurisdictional Fee Payments** - Non-automatic dismissal pending correction of docket fees.

Historical Background:

The disputes in the case were rife during an economic hardship period where capital transactions, property securities, and asset litigations saw a significant uptick given the strained financial landscape leading often to related fraudulent transfer claims and enforcement rigidities in the late 1990s. The procedural matrix reflects broader themes of creditor-debtor conflicts exacerbated by competing ownership claims and property law's susceptibility to documentation fraud surrounding prime property transactions.