

****Title:** Boracay Island Water Company v. Malay Resorts Holdings, Inc., G.R. No. 08412******

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****Facts:****

Boracay Island Water Company (BIWC) operates water and sewerage utilities on Boracay Island. They introduced the Factored Sewer Charging Program, which charged higher rates to certain customers, leading Ambassador in Paradise Corporation and Real Maris Resort & Hotel to file a complaint for its nullification. Malay Resorts Holdings, Inc. (MRHI), among others, intervened.

BIWC moved to dismiss for lack of cause of action and forum shopping, claiming the National Water Resources Board (NWRB) already discussed similar issues. The Regional Trial Court (RTC) dismissed the case for forum shopping, citing failure to disclose NWRB proceedings. MRHI moved for reconsideration, which was denied.

The Court of Appeals (CA) reversed the RTC's dismissal, declaring NWRB lacked jurisdiction, making any judgment non-res judicata.

BIWC appealed to the Supreme Court, arguing the CA erred in its ruling regarding forum shopping and the mootness of the case due to rate changes.

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****Issues:****

1. Whether MRHI committed forum shopping by filing similar causes before different forums.
2. Whether MRHI's complaint was moot given the implementation of new sewer rates.

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****Court's Decision:****

****Forum Shopping:**** The Supreme Court upheld the CA's ruling that MRHI did not commit forum shopping. The court noted:

- The lack of jurisdiction by NWRB meant any decision it might have issued would not be res judicata.

- Forum shopping is present when there is *litis pendentia* or *res judicata*. In this case, even if NWRB had initially considered the issue, it never assumed jurisdiction following the DOJ's opinion, and there were no actions suggesting conflicting decisions between NWRB and RTC.

****Mootness of the Case:**** Despite new sewer rates, the court ruled the issue was capable of repetition yet evading review.

- Although the Program was allegedly not implemented, the rate imposition concerning sewer-only and dual water source customers persisted.

- Given the need for factual determination not suitable for the Supreme Court's resolution, remanding to the RTC was warranted.

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****Doctrine:****

- ****Forum Shopping****: A violation of forum shopping occurs with *litis pendentia* or *res judicata*, necessitating identity in parties, rights, and causes of action across multiple cases. Even without jurisdiction of one forum, forum shopping is determined based on the potential for conflicting decisions. Any lack of jurisdiction nullifies corresponding *res judicata* implications.

- ****Mootness****: Cases capable of repetition yet evading review, characterized by short-duration scenarios and reasonable expectations of recurrence, merit adjudication despite apparent mootness.

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****Class Notes:****

- ****Forum Shopping Test****: (1) Identity of parties/interests; (2) Same rights asserted and relief prayed for; (3) Same cause such that a judgment in one would be *res judicata* in the other.

- Jurisdictional element is crucial. Activities by a non-jurisdictional forum do not contribute to forum shopping.

- Citation: Santos Ventura Hocorma Foundation, Inc. v. Mabalacat Institute, Inc. and Heirs of Vidad v. Land Bank.

- ****Mootness Exception****: Short-duration scenarios that recur warrant review if likely to

evade complete litigation. Analyze for practical legal consequences despite the apparent resolution.

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****Historical Background:****

This case aligns with ongoing enhancements in utility regulation and corporate accountability, enlarging the administrative scope to address evolving needs in public services, especially in tourism-heavy locales like Boracay Island. The legal tension illustrates administrative interpretations amid regulatory developments under Philippine infrastructure governance.