

**CORNELIO AGUILA AND LUCIANA ARROYO-AGUILA,
PLAINTIFFS-APPELLANTS, VS. J. M. TUASON & CO., INC., ET AL.,
DEFENDANTS-APPELLEES.**

G.R. No. L-24223. February 22, 1968

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

This is one of the many cases that arose from the settlement of the controversy between the Deudor family and the J. M. Tuason Co., Inc., over a tract of land in Quezon City of about 50 quiñones, in virtue of a Compromise Agreement said parties entered into on March 16, 1953. Being questioned here on appeal by the spouses Cornelio Aguila and Lucina Arroyo-Aguila, is the order of dismissal by the Court of First Instance of Rizal of their complaint in Civil Case No. Q-7801, filed against J. M. Tuason & Co., and involving a lot covered in the aforementioned compromise agreement.

It appears on record that under date of April 2, 1958, J. Tuason & Co., instituted in the Court of First Instance of Rizal Civil Case No. Q-4275, recovery of possession of a portion of its land, of about 1,000 square meters, in barrio Matalahib, Quezon City, to have been usurped by therein defendant Cornelio Aguila. On September 8, 1959, judgment was rendered in the case, for the plaintiff, the court ruling as follows:

"An examination of the evidence presented will reveal that plaintiff has sufficiently established its cause of action against the defendant. In the first place, the claim of the plaintiff is based on a title issued in accordance with the Torrens System. As such plaintiff is entitled to the possession of the aforesaid parcel of land registered in its name unless it has expressly authorized the defendant to possess the same. In the second place, it has been admitted that the possession of the defendant is made without the knowledge and consent of the plaintiff. How can now the Court decree a judgment in favor of the defendant. To do so would be tantamount to violation of the cardinal principle underlying the adoption of the Torrens System in this jurisdiction. x x x."

Consequently, defendant and all persons claiming under him were ordered to vacate the premises and to remove the existing, construction there-on, and to pay a monthly rental of P100.00 from September 3, 1959 until possession is restored to plaintiff.

Having failed to perfect a timely appeal from this decision therein defendant filed a motion for new trial and for the setting aside of judgment, which motion was denied for being out of time. Appealed to this Court, the lower court's order of denial of the said motion for new trial, was affirmed (L-16757, November 29, 1963).

Thereupon, on February 10, 1964, the spouses Cornelio Aguila and Lucina Arroyo-Aguila commenced the present proceeding by filing a complaint in the Court of First instance of Rizal (Civ. Case No. Q-7801), praying for annulment of the judgment in Civil Case No. 4275, the declaration of their right to purchase the land described therein at the price prevailing at the time when they demanded the sale of said lot to them, and for the reconveyance to plaintiffs, by the defendant, of the title to that property.

Defendant J. M. Tuason S Co., Inc. moved for the dismissal the complaint, raising the defenses of bar by former

judgment - referring to the final decision in Civil Case No. 4275 - and lack of cause of action - on the basis of the aforementioned final judgment in the possessory action and of the ruling of this Court in the case of J. M. Tuason & Co. vs. Sanvictores.[1] Sustaining the allegations of defendant, the court below issued the order of dismissal subject of the present appeal.

Appellants dispute the correctness of the dismissal of their complaint, contending that the decision in Civil Case No. 4275, on herein appellee's right to possession of the lot, is not *res judicata* to the issue involved in Civil Case No. 7801 which is an action for recovery of ownership and annulment of judgment or for specific performance that the rescission of the Compromise Agreement between the Deudors and J. M. Tuason & Co. does not affect their right to purchase the lot in dispute; and that for the defenses of *res adjudicata* and lack of cause of action to cause the dismissal of a complaint, they must appear on the face of that pleading, which allegedly is not so in this case.

We find this appeal without merit.

The lower Court correctly ruled that the present action is barred by the final judgment rendered in the previous case of Tuason & Co. vs. Aguila, Civil Case No. Q-4275, of the Court of First Instance of Rizal. The reason is plain: if the herein appellants really had a preferential right to a conveyance of the land from J. M. Tuason & Co., or if the certificate of (Torrens) title held by Tuason & Co. were truly void and ineffective, then these facts should have been pleaded by these appellants in the previous case (Q-4275), since such facts, if true, constituted a defense to the claim of Tuason & Co. for recovery of possession. If appellants failed to plead such defenses in that previous case, they are barred from litigating the same in any subsequent proceeding, for it is a well established rule that as between the same parties and on the same subject and cause of action, a final judgment is conclusive not only on matters directly adjudicated, but also as to any another matter that could have been raised in relation thereto.[2]

The fact that Civil Case No. 4275, filed by appellee against appellants was for recovery of possession of the lot, whereas Civil Case No. 7801, brought by appellants against appellee was for reconveyance or recovery of ownership of the same property, and that the subject lot in the first case is smaller (1,000 sq. m.) than that in the second (1,400 sq. m.), do not remove the present proceeding from the operation of the principle of bar by former judgment. As specifically stated in the decision in Civil Case No. 4275, now final and executory, the right of therein plaintiff (appellee herein) to possession of the lot was based on a title issued to the latter in accordance with the Torrens System. In other words, the recognition of the incidental right to possession of the property is predicated upon the court's recognition of appellee's right of ownership thereof. And, a change in the form of action or in the relief sought, it must be remembered, does not remove a proper case from the application of *res adjudicata*. [3]

We have also pointed out in our decision in Tuason & Co. vs. Sanvictores, L-16836, January 30, 1962, that the preferential right to purchase the lot in question (as now claimed by appellants) was in the nature of a compulsory counterclaim in the previous action for possession, and that the failure to set it up resulted in a waiver thereof, the claimant being thereafter barred from invoking it after the judgment in the possessory action became final.

Appellants assert in their reply brief (p. 7) that they did assert such compulsory counterclaim in their answer in the previous suit, Case No. Q-4275. If such were the case, then this counter-claim was decided adversely to them when the Court in that case decided in favor of Tuason & Co. and ordered defendants there (appellants Aguila here) to vacate and restore the premises in question. By allowing that decision to become final, appellants are again estopped by *res judicata* from interposing the same facts and claim in the present case.

Public policy is firmly set against unnecessary multiplicity of suits; the rule of *res judicata*, like that against

splitting causes of action, are all applications same policy, that matters once settled by a Court's final judgment should not thereafter be invoked again. Relitigation of issues already settled merely burdens the Courts and the taxpayers, creates uneasiness and confusion, and wastes valuable time and energy that could be devoted to worthier cases. As the Roman maxim goes, Non bis in idem.

The decision appealed from is, therefore, affirmed with costs against appellants Aguila.

SO ORDERED.

Concepcion, C.J., Dizon, Bengzon, J.P., Zaldivar, Sanchez, Ruiz Castro, Angeles, and Fernando, JJ., concur.

[1] G. R. No. L-16836, January 30, 1962. It was held that the Compromise Agreement between the Deudors and J. M. Tuason & Co. was partially rescinded in view of the failure of the former to comply with some of the terms and conditions thereof.

[2] Sec. 49 (b), Revised Rule 39; Peñalosa vs. Tuason, 22 Phil. 303; P.N.B. vs. Barretto, 52 Phil. 818, 824; Jalandoni and Ramos vs. Martin Guanzon, 102 Phil. 869, 862, and cases cited therein.

[3] Clemente vs. H. E. Heacock Co., G. R. No. L-23212, May 18, 1967; Francisco vs. Blas, 93 Phil. 43.

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