

**BENEDICTO RAMOS, PETITIONER, VS. HON. ELVIRO L. PERALTA,
PRESIDING JUDGE, BRANCH XVII, COURT OF FIRST INSTANCE OF
MANILA, SPOUSES JUVENCIO ORTANEZ AND JULIANA S. ORTANEZ,
MINDAN...**

G.R. No. L-45107. November 11, 1991

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

Put in issue in this petition for review on certiorari is the propriety of the dismissal by the then Court of First Instance (CFI) of Manila, Branch XVII of petitioner's action for consignment of the sum of P70,000.00 representing advance rent-als for the 101-hectare Salgado fishpond located in Bo. Balut, Pilar, Bataan.

Petitioner started occupying the Salgado fishpond in 1964 by virtue of a lease contract executed in his favor by private respondents spouses Juvencio and Juliana Ortanez. The original lease for a term of five (5) years from January 1, 1964 to January 1, 1969 was renewed several times, the last renewal being on June 28, 1974 under a "Kasunduan sa Pag-upa" for a period of three (3) years starting January 1, 1975 to December 31, 1977.

Unknown to petitioner, title[1] to said property was in the name of Philippine International Surety Co., Inc., a corporation founded, organized and 99.5%-owned by the Salgado spouses. Later renamed Mindanao Insurance Co., Inc.,[2] said corporation was placed under receivership and liquidation on June 20, 1968 in Civil Case No. Q-10664 of the then CFI of Rizal, Branch IV, Quezon City, upon application of Insurance Commissioner Gregoria Cruz-Ansaldo who was appointed receiver.

Thereafter on February 23, 1976, respondent P. R. Roman, Inc. purchased from Mindanao Insurance the Salgado fishpond for P950,000.00. The deed of sale was signed by the receiver and duly approved by the liquidation court.

Apparently due to this development, the spouses Ortanez refused to accept from petitioner the advance rentals on the fishpond due on March 15, 1976 in the amount of P30,000.00.

On or about May 1, 1976, petitioner received a letter from Don Pablo R. Roman informing him of the latter's acquisition of the fishpond and intention to take possession thereof on May 16, 1976. In his letter-reply, petitioner reminded Mr. Roman of his lease contract over the fishpond and refused to consent to the intended take-over. Notwithstanding petitioner's objection, P. R. Roman, Inc. took over possession of the fishpond.

On August 2, 1976, petitioner filed before the CFI of Manila the aforesaid complaint, docketed as Civil Case No. 103647[3], against private respondents Juvencio and Juliana Ortanez, Mindanao Insurance and P. R. Roman, Inc. for consignment of the sum of P70,000.00 representing advance rentals on the fishpond in the amounts of P30,000.00 and P40,000.00 respectively due on March 15, 1976 and June 15, 1976, which he had previously tendered to, but refused by the spouses Ortanez and Pablo Roman.

P. R. Roman, Inc. filed a motion to dismiss on the grounds that venue was improperly laid, the complaint states no

cause of action and the court has no jurisdiction over the subject of the action or suit. In its motion to dismiss, P. R. Roman, Inc. cited the pendency before the then CFI of Bataan of Civil Case No. 4102 instituted by P.R. Roman, Inc. against petitioner Bene-dicto Ramos on August 13, 1976 to quiet its title over the Salga-do fishpond.

On August 27, 1976, respondent CFI of Manila issued an order^[4] dismissing Civil Case No. 103647, stating in part:

Without discussing in detail the grounds mentioned above, the Court really sees that this case should be dismissed not only insofar as against P. R. Roman, Inc. but also as against the other defendants mentioned above for the reason, principally, that there is already a case pending between the same parties and for the same cause in Civil Case No. 4102 of Branch II of the Court of First Instance of Bataan, entitled P. R. Roman, Inc. vs. Benedicto Ramos, which is precisely for the ownership of the subject matter of the property allegedly leased to the plaintiff herein (Exhibit "A"-Motion). In the said case, the defendant therein, Benedicto Ramos, who is the plaintiff in the case at bar, filed a motion for leave to file a third-party complaint against the spouses surnamed Ortanez and the Mindanao Insurance, Company, Inc. All the issues respecting the fishpond, including the lease contract, are necessarily involved in the case pending now in Bataan. Aside from the above, the Court cannot decide this case because it cannot pre-empt the Court of Bataan on whether or nor the P. R. Roman, Inc. is already the owner because if it finds that the said defendant P. R. Roman, Inc. is really the owner of the fishpond, there is no more lease for which rentals are to be paid."

Petitioner moved for reconsideration, but was unsuccessful, the court a quo, standing "pat on its previous order and reiterat(ing) its dismissal of the case, without costs."^[5]

Hence this petition anchored on the following ascribed errors of law:^[6]

1. The respondent court erred in not holding that the only issue in consignment of 'funds is whether the defendant is willing to accept the proffered payment or not.
2. The respondent court erred in not holding that the prerogative of choosing the proper venue belongs to the plaintiff.
3. The respondent court erred in holding that the subsequent filing of Civil Case No. 4102 before the Court of First Instance of Bataan is a bar to the prosecution of Civil Case No. 103647 before it.

Petitioner contends that the Bataan quieting-of-title Civil Case No. 4102 cannot serve as a bar to his Manila consignment Civil Case No. 103647 because they involve different issues. Case No. 4102 deals with the question of ownership while the only issue involved in his consignment case is whether or not the defendant is willing to accept the proffered payment. In fact, petitioner posits, the action to quiet title is a useless futile exercise as he does not question P. R. Roman Inc.'s ownership of the fishpond under consideration, but merely wishes to assert his leasehold and possessory rights over said property under the "Kasunduan sa Pag-upa." He further contends that compelling him to litigate before the Bataan court would render nugatory his right as a plaintiff to choose the venue of his action. Besides, Civil Case No. 103647 was filed on August 2, 1976, ahead of Civil Case No. 4102 which was filed on a much later date, August 13, 1976, after the Manila CFI had already acquired jurisdiction over Civil Case. No. 103647.

Private respondents counter that the view taken by petitioner of the Manila consignment case is quite limited and bookish, because while it may be true that theoretically, the main issue involved in a consignment case is whether or not the defendant is willing to accept the proffered payment, in the consignment case brought by petitioner, other issues were pleaded by petitioner himself, such as the validity and binding effect of the lease contract and the existence of the supposed obligor-obligee relationship. They further contend that a plaintiff's right of choice of venue is not absolute, but must invariably bow to the dismissal of the case because of *litis pendentia* which, in

refutation of petitioner's argument, does not require that there is a prior pending action, merely that there is a pending action.

We find for respondents.

Under the rules and jurisprudence, for *litis pendentia* to be invoked as a ground for the dismissal of an action, the concurrence of the following requisites is necessary: (a) Identity of parties or at least such as represent the same interest in both actions; (b) Identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) The identity in the two cases should be such that the judgment that may be rendered in one would, regardless of which party is successful, amount to *res judicata* in the other.[7]

These requisites are present in the case at bar. It is worthwhile mentioning that in his basic petition for review, one of the assigned errors of petitioner is that the respondent court erred in not holding that the parties in Civil Case No. 4102 are not the same as the parties in Civil Case No. 103647.[8] However, in his brief, no further mention of this assigned error was made; a clear indication of petitioner's admission of the identity of parties in Civil Case No. 4102 and Civil Case No. 103647, particularly as he filed a third party complaint in Civil Case No. 4102 against the spouses Ortanez and Mindanao Insurance.

Anent the second element, we agree with private respondents' observation that petitioner's approach to his consignment case is quite constricted. His contention that the only issue in a consignment case is whether or not the defendant is willing to accept the proffered payment is true only where there is no controversy with respect to the obligation sought to be discharged by such payment. His consignment case, however, is not as simple. While ostensibly, the immediate relief sought for in his consignment case is to compel therein defendants to accept his advance rentals, the ultimate purpose of such action is to compel the new owner of the fishpond to recognize his leasehold rights and right of occupation. In the last analysis, therefore, the issue involved in Civil Case No. 103647 is the right of possession over the fishpond intertwined with the validity and effectivity of the lease contract.

This is the same issue involved in Civil Case No. 4102. Although an action for quieting of title refers to ownership, *P. R. Roman, Inc.* in its complaint[9] in Civil Case No. 4102 alleged:

5. There is a cloud on the aforesaid titles of plaintiff on the said agricultural land, marked Annexes "A", "B" and "C" hereof, as well as on its right of possession over that real property by reason of a certain "Kasunduan sa Pagupa" (Contract of Lease) dated June 28, 1974 executed by and between the spouses Jovencio Ortanez and Juliana S. Ortanez purportedly as "may--ari/Nagpapapa" (owner/lessor) and the defendant as lessee, which instrument is apparently valid or effective but in truth and in fact invalid, ineffective, voidable or unenforceable, and is prejudicial to the said titles of plaintiff as well as to its right of possession over the same fishpond/agricultural land in Barrio Balut, Pilar, Bataan.

Thus, while the respondent court in the assailed order of dismissal dated August 27, 1976 described Civil Case No. 4102 as "precisely for the ownership of the subject matter of the property allegedly leased to the plaintiff herein,"[10] its order dated October 22, 1976 denying petitioner's motion for reconsideration, more perceptively stated:[11]

"In Civil Case No. 4102 of the Court of First Instance of Bataan, entitled *P. R. Roman, Inc. vs. Benedicto Ramos* one of the principal issues is the possession of the fishpond subject matter of the lease supposed rents of which are supposed to be consigned in the instant case, plaintiff *P. R. Roman, Inc.* there, claiming to be entitled to the possession of said property as owner under a certificate of title and defendant *Benedicto Ramos*, plaintiff here, anchoring his claim of possession upon his lease with the Ortanez spouses against whom, on his motion, he filed a third party complaint in which he prayed in the alternative, that should he lose possession of the fishpond in favor of *P. R. Roman, Inc.*, the Ortanezes should be condemned to reimburse him the rentals he

has already paid for the unexpired portion of the lease. The issue of whether or not the lease subsists even as regards P. R. Roman, Inc., for it is the view of Ramos that it bought the property with knowledge of the lease, is squarely planted in the case before the Court of First Instance of Bataan, and, consequently, the more appropriate court with which rents are to be consignedated. x x x"

That whatever decision may be handed down in Civil Case No. 4102 would constitute *res judicata* in Civil Case No. 103647 is beyond cavil. Should the Bataan court rule that the lease contract is valid and effective against P. R. Roman, Inc., then petitioner can compel it to accept his proffered payment of rentals; otherwise, he may not do so.

Petitioner next contends that the dismissal of Civil Case No. 103647 deprived him of his right to choose the venue of his action. Verily, the rules on the venue of personal actions are laid down generally for the convenience of the plaintiff and his witnesses. But, as observed by private respondents, this right given to the plaintiff is not immutable. It must yield to the greater interest of the orderly administration of justice, which as in this case, may call for the dismissal of an action on the basis of *litis pendentia* to obviate the possibility of conflicting decisions being rendered by two different courts.[12]

As private respondents would put it, "(T)he Rules of Court are not perfect. It does not pretend to be able to make everyone happy simultaneously or consecutively or all the time. Even the Rules of Court has a hierarchy of values; thus, the choice of venue may bow to dismissal of the case because of *litis pendentia*.[13] At any rate, petitioner cannot complain of any inconvenience arising from the dismissal of Civil Case No. 103647. Being the defendant in Civil Case No. 4102, he cannot but litigate before the Bataan court, and bringing his consignment case before the same court would actually save him time, effort and litigation expenses.

Finally, the rule on *litis pendentia* does not require that the later case should yield to the earlier case. What is re-quired merely is that there be another pending action, not a prior pending action. Considering the broader scope of inquiry involved in Civil Case No. 4102 and the location of the property involved, no error was committed by the lower court in deferring to the Bataan court's jurisdiction.

WHEREFORE, the assailed decision dated August 27, 1976 of the then Court of First Instance of Manila, Branch XVII, is **AFFIRMED** in toto. This decision is immediately executory, with costs against petitioner.

SO ORDERED.

Gutierrez, Jr., Bidin, Davide, Jr., and Romero, JJ., concur.

[1] Under Certificates of Title Nos. 7881, 7882 and 7883, Registry of Deeds of Bataan.

[2] Hereinafter Mindanao Insurance

[3] Assigned to Branch XVII presided over by respondent Hon. Judge Elviro L. Peralta.

[4] Annex "I", Petition, pp. 76-77, Rollo.

[5] Annex "R", Petition, pp. 108-109, Rollo.

[6] pp. 15-16, Brief for the Petitioner, p. 293, Rollo.

[7] Ramos vs. Ebarle, G. R. No. 49833, February 15, 1990, 182 SCRA 245; Marapao vs. Mendoza, et al., 119 SCRA 97; Lopez, et al. vs. Villaruel, et al., 164 SCRA 616.

[8] p. 12, Petition, p. 19, Rollo.

[9] Annex "G", Petition, p. 62, Rollo, emphasis supplied.

[10] p. 77, Rollo.

[11] pp. 108-109, Rollo, emphasis supplied.

[12] See Vallacar Transit, Inc. vs. Yap, G. R. No. 61308, December 29, 1983, 126 SCRA 500.

[13] p. 28, Brief for Respondents-Spouses Ortanez, p. 401, Rollo.

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