

CARMEN RAMOS, PLAINTIFF-APPELLANT, VS. PANGASINAN TRANSPORTATION CO., INC. AND ROMEO FERRER, DEFENDANTS-APPELLEES.

G.R. No. L-26986. September 30, 1977

Ponente: MAKASIAR, J.

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MAKASIAR, J.:

Appeal from the Order dated September 14, 1961 of the Court of First Instance of Pangasinan (Dagupan City Branch) dismissing the complaint in Civil Case No. D-1 155 on the ground *res judicata*. Originally filed in the Court of Appeals, it was, by resolution dated November 22, 1966, certified to this Court for the reason that the question involved is one purely of law.

The undisputed facts, as set forth in the said resolution of Court of Appeals, are as follows:

"In Civil Case No. D-705 of the Court of First Instance of Pangasinan (Dagupan City Branch), entitled 'Carmen Ramos, plaintiff, versus Pangasinan Transportation Company and Romeo Ferrer, defendants,' the former sought damages as a consequence of the injuries she claimed to have sustained while a passenger of Pantranco Bus No. 360 on April 5, 1958. While said case was pending, a 'Compromise and Quitclaim' agreement was executed by the parties litigants on January 8, 1959, providing, among others, the following — '1. Without admitting liability the Company hereby pays me the sum of ONE THOUSAND ONE HUNDRED EIGHTY PESOS (P1, 180.00) [sic]. Philippine Currency of which amount I hereby acknowledge receipt;

'2. For and in consideration of the aforesaid payment, I, said Carmen Ramos, hereby renounce and forever release and discharge the Company and aforesaid driver from any and all of my claims, cause or causes of action and liability, penal, contractual, delictual, quasi-delictual, or otherwise arising from aforesaid accident and from the injuries and losses suffered by me, including, without limiting, actions for subsidiary civil liability, if any, and whether same be for injury to property, person, feelings, pain and suffering or of whatever class or nature. It is my intention and that of the Company, by these presents and for purposes hereof, make an irrevocable stipulation in favor of the said driver Romeo Ferrer and that said stipulation shall forever stand and be effective. Without necessity of acceptance by said driver, said stipulation to be ineffective only if actually and unconditionally renounced by said driver;

'3. That I hereby absolutely bind myself in good faith to abide by these presents, and in case of repudiations of these presents by me, I shall pay to the Company liquidated damages in the sum of P3,000.00 to compensate for attorney's fees, costs of suit, other expenses and loss of time in defending or making effective the Company's rights herein.

'I, Carmen Ramos, hereby declare that all of the foregoing have been read to me. that I understand each and everyone of the foregoing conditions, stipulation and term, the same having been fully explained to me by disinterested third persons and that by the Company did not make any representation or misrepresentation nor employed fraud, threats or duress and improper influence.'

"Subsequently thereafter, aforementioned Carmen Ramos personally filed a 'Motion for Definite Dismissal,' stating

that the parties in Civil Case No. D-705 had come to a mutual understanding and have definitely settled their differences amicably, and praying that the case be dismissed, with prejudice. Acting upon this motion, the trial court on January 8, 1959, issued the following order —

'Considering the motion for definite dismissal, dated January 8, 1959, filed by the plaintiff Carmen Ramos, which bears the conformity of the defendant Company, on the ground that the parties have come to a mutual understanding and have settled their differences.

'Let this case be dismissed without special pronouncement as to costs and damages.'

"However, on January 2, 1961, Carmen Ramos filed a complaint in the same court against the defendants named in the aforesaid Civil Case No. D-705, praying, among others, that defendants be declared jointly and severally liable for the injuries and wounds she had suffered while a passenger in Pantranco Bus No. 360 (the same bus alluded to in Civil Case No. D-705); and that they be jointly and severally ordered to pay her the sum of P20,000.00 as actual, moral, exemplary and consequential damages as well as attorney's fees in the sum of P2,000.00 (Civil Case No. D-1155).

'instead of filing an answer in said Civil Case No. D-1 155, the defendants therein filed a 'Motion to Dismiss' on the grounds that plaintiffs claim had already been released; and that her cause of action is already barred by prior judgment, to which plaintiff filed her objection. Acting upon the pleadings, the trial court rendered an order on September 14, 1961. the pertinent portions of which are as follows —

'A perusal of the complaint in this case shows that the parties, subject matter and cause of action are practically the same as those in Civil Case No. D-705 of this Court entitled 'Carmen Ramos, plaintiff, versus Pangasinan Transportation Company, Inc., Romeo Ferrer, defendants," which was dismissed by this Court in its order of January 20, 1959, upon the written 'motion of the plaintiff herself, dated January 8, 1958 (1959). praying for the dismissal of the case with prejudice," which is equivalent to an adjudication upon the merits.' In both actions, the plaintiff seeks damages; the allegations in both are practically identical,'the only one main allegation added in the instance (sic) case being that of fraud, deceit or misrepresentation, said to have been committed by the defendants against the plaintiff relative to the execution of a deed captioned 'Compromise and Quitclaim' attached to the complaint as Annex 'A', with the additional prayer for the declaration of the said document as null (and) void. The three 'identities," therefore, namely, parties, subject matter and cause of action, are present. Furthermore, the issue of fraud, deceit or misrepresentation was raised by the plaintiff in her 'Urgent Motion to Lift Order of Dismissal, x x x,' dated June 22, 1959, in said Civil Case No. D-705, which was resolved by this Court in its order of August 12, 1959, denying the said motion. The doctrine of res judicata, therefore, fittingly applies in this case. The contention that the plaintiff failed to interpose a timely appeal or that the Court disallowed her appeal in said Civil Case No. D-705 cannot affect the principle of res judicata for such principle attaches even if the prior decision or order is erroneous or even if the said decision or order might have been reversed had an appeal been taken therefrom. (Edwards, et al vs. Arce, et al, G.R. No. L-6932 promulgated March 26, 1956). Nor does the fact that the instant action contains another additional cause of action and relief not alleged and sought in Civil Case No. D-705, prevent the application of the said doctrine, for it has been held that a party cannot, by varying the form of action, or adopting a different method of presenting the action, escape the application of the principle that the same cause of action will not be litigated twice between the same parties. (Paz vs. Inandam, [1945], 75 Phil. 608; RCA Communications, Inc. vs. Phil. Long Distance Telephone Company, et al, G.R. No. L-13695, promulgated December 29, 1960).

'WHEREFORE, finding the motion to dismiss to be meritorious, the Court hereby dismisses this case, without costs.'"

In her brief, appellant assigned four (4) errors alleged to have been committed by the court a quo, to wit:

1. That the court acted with grave abuse of discretion in dismissing Civil Case No. D-705 without the benefit of

hearing;

2. That the court erred in not considering the complaint in Civil Case No. D-1155 as one to set aside the amicable settlement or compromise agreement between the parties;

3. That the compromise agreement between the parties is contrary to law, hence, it is null and void; and

4. That the court acted with grave abuse of discretion in dismissing the complaint in Civil Case No. D-1155 on the ground of res judicata without affording plaintiff an opportunity to present her evidence and prove the damages suffered by her.

The issues raised in the above enumerated errors may be boiled down to only one: Whether or not the doctrine of res judicata was correctly applied by the court a quo.

WE find the appeal unmeritorious.

It is manifest from a perusal of the undisputed facts set forth in the resolution of the Court of Appeals, dated November 22, 1966, that the plaintiff-appellant is attempting, in Civil Case No. D-1155, to re-litigate the issues which were definitely settled in the previous case (Civil Case No. D-705).

There should not be any dispute that a compromise has, upon the parties, the effect and authority of res judicata (Art. 2037, New Civil code). And that a judgment rendered upon a compromise agreement, not contrary to law, or public policy, or public order, has all the force and effect of any other judgment, it being a judgment on the merits and, hence, conclusive upon the parties and their privies. A careful scrutiny of the records before US shows that in both actions, the plaintiff seeks damages; the allegations in both are practically identical, the only one main allegation added in the instant case being that of fraud, deceit or misrepresentation, said to have been committed by the defendants against the plaintiff relative to the execution of a deed captioned "Compromise and Quitclaim," with the additional prayer for the declaration of the said document as null and void. The three "identities," therefore, namely, parties, subject matter, and cause of action, are present.

When the three identities are present, the judgment on the merits rendered in the first case constitutes an absolute bar to the subsequent action.

It is final as to the claim or demand in controversy, including the parties and those in privity with them, not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose and of all matters that could have been adjudged in that case (Sec. 49[b], Rule 39, Revised Rules of Court; *Aguila vs. J.M. Tuason & Co.*, L-24223, Feb. 22, 1968, 22 SCRA 690, citing *Clemente vs. H.E. Heacock Co.*, L-23212, May 18, 1967, 20 SCRA 115; *Gonzales vs. Gonzales*, L-22717, Nov. 27, 1968, 26 SCRA 72, 76, citing *Vitula vs. Republic*, L-22061, Jan. 31, 1968, 22 SCRA 477, 481).

Appellant argues that "since the complaint (in Civil Case No. D-1155) is to annul the Compromise Agreement, it is needless to argue whether the prior dismissal of Civil Case No. D-705 constitutes res judicata on the latter case, Civil Case No. D-1155, for it is very clear that the dismissal of Civil Case No. D-705 does not constitute res judicata on this case."

Appellant's contention is devoid of merit. The records show that within the period to set aside or to be relieved from the judgment or order of January 20, 1959, appellant filed an "Urgent Motion to Lift Order of Dismissal," dated June 22, 1959. In said urgent motion, appellant raised the issue of fraud, deceit or misrepresentation said to have been committed by the defendants against the plaintiff relative to the execution of the Compromise Agreement. The motion was resolved by the court a quo in an order dated August 12, 1959, denying the same for

lack of merit. Appellant attempted to appeal from said order of denial of her urgent motion, but her appeal was thwarted by the court a quo for having been filed out of time. Having thus lost her statutory right of appeal, through her own fault, she filed the instant case (Civil Case No. D-l 155), reproducing practically the very same allegations in Civil Case No. D-705, adding therein the allegation of fraud, deceit or misrepresentation which was the subject of her urgent motion to lift order of dismissal aforesaid. Consequently, she is barred from litigating the very same issue surrounding the execution of the compromise agreement in question in any subsequent proceeding. It is well-settled that a change in the remedy sought or in the form of action is no bar to res judicata. In other words, a party cannot, by varying the form of action, or adopting a different method of presenting his case, escape the operation of the principle that one and the same cause of action shall not be twice litigated between the same parties (Wenzel, et al. vs. Surigao Consolidated Mining Co., Inc., L-10843, May 31, 1960, 108 Phil. 530, 537, citing Francisco vs. Bias, et al., 93 Phil. Cayco, et al vs. Cruz, et al, L-12663, August 21, 1959, 106 Phil. 65).

The corollary principle of res judicata is that courts are not concerned so much with the form of actions as with their substance and that despite a difference in the form of action, nevertheless the doctrine of res judicata would be applied where it appeared that the parties in the two suits were in truth litigating the same thing (Senoro vs. Lobo, 67 SCRA 248, 255; Zambales Academy, Inc. vs. Ciriaco Villanueva, 28 SCRA 1).

Apropos is what this Court, speaking through now retired Mr. Justice J.B.L. Reyes, said in the case of Aguila vs. J.M. Tuason & Co., supra:

"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 of the 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."

WHEREFORE, THE ORDER OF DISMISSAL APPEALED FROM IS AFFIRMED, WITH COSTS AGAINST PLAINTIFF-APPELLANT.

SO ORDERED.

Munoz Palma, Martin, Fernandez, and Guerrero, J.J., concur.

Teehankee (Chairman), J., took no part.

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