

PHILIPPINE NATIONAL BANK, PETITIONER, VS. HON. LITA S. TOLENTINO-GENILO, IN HER CAPACITY AS PRESIDING JUDGE OF BRANCH 91 OF THE REGIONAL TRIAL COURT OF QUEZON CITY, MEDIAN CONTA...

Ponente: YBAÑEZ, J.

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YBAÑEZ, J.:

Because public respondent Judge Lita Tolentino-Genilo issued these Resolutions on 14 February 2011[1] and 29 July 2011[2] respectively, dismissing its counterclaim without prejudice and denying its motion to implead Spouses Carlos and Fely Ley as parties thereof, petitioner Philippine National Bank (PNB) filed this Petition for Certiorari (with Application for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction)[3] to reverse and set aside the aforesaid resolutions on the ground that the public respondent judge, in rendering the same, acted with grave abuse of discretion amounting to lack or excess of jurisdiction since it believed that its counterclaim is compulsory and Spouses Carlos and Fely Ley, as officers of Median Container Corporation should be impleaded as parties in the instant case.

The Facts

On 02 November 2010, private respondents Median Container Corporation and Eldon Industrial Corporation filed a Complaint for Reformation of Instrument[4] before the Regional Trial Court of Quezon City. The same was docketed as Civil Case No. Q10-68210 and raffled to Branch 91 where public respondent is the presiding judge.

In the said complaint, private respondents averred that, in order to finance the purchase of various goods needed for their businesses, they availed of a credit line with the petitioner bank in the amount of Fifty Million Pesos[5] where a fixed amortization and interest based had to be paid. Instead of the usual promissory notes and other loan documents, PNB purportedly lured them to sign trust receipts which did not reflect their real agreement so as to coerce them as well as their officers to pay whatever billing sent to them under the pain of a criminal prosecution.

In its Answer with Counterclaim,[6] PNB argued that the instant complaint should be dismissed because the trust receipts reflected their real agreement. It claimed that there was no enticement involved in the execution thereof because the provisions were freely agreed upon and voluntarily executed by both parties. The instant suit is just a ploy on the part of the private respondents to evade their obligations and escape a possible prosecution for estafa as they failed to turn-over the proceeds of the sale of the goods or return the goods covered by the trust receipts in violation of the Trust Receipts Law. Thus, petitioner bank sought to implead Spouses Carlos and Fely Ley, President and Vice-President/Treasurer of Median Container Corporation in order to hold them severally liable with private respondents and collect also from them the sum of Thirty One Million Fifty Nine Thousand Six Hundred Sixteen and Twenty Nine Centavos (P31,059,616.29).

On 14 February 2011, public respondent Judge Tolentino-Genilo issued the assailed Resolution[7] ruling that petitioner's counterclaim is permissive because the claims in private respondents' complaint for reformation and petitioner's counterclaim for payment of unpaid obligation are reasonably independent of each other and can be

the subject of separate cases without being barred by res judicata. She likewise denied the motion to implead spouses Ley since the court has not acquired jurisdiction over the subject matter of permissive counterclaim due to the failure of petitioner to pay the requisite legal fees and/or failure to append the necessary certificate of non-forum shopping.

Aggrieved with the dismissal, petitioner moved for the reconsideration[8] of the aforesaid resolution which was, however, denied in the Resolution[9] issued on 29 July 2011.

Hence, petitioner filed the instant petition interposing the following grounds,[10] to wit:

I.

WITH DUE RESPECT, PUBLIC RESPONDENT JUDGE GENILO ACTED WITHOUT OR IN EXCESS OF HER JURISDICTION OR WITH GRAVE ABUSE OF HER DISCRETION WHEN SHE DENIED PNB'S COUNTERCLAIM AND RULED THAT IT WAS PERMISSIVE THAN COMPULSORY; and

II.

WITH DUE RESPECT, PUBLIC RESPONDENT JUDGE GENILO ACTED WITHOUT OR IN EXCESS OF HER JURISDICTION OR WITH GRAVE ABUSE OF HER DISCRETION WHEN SHE DENIED PNB'S MOTION TO IMPLEAD SPOUSES CARLOS T. LEY AND FELY C. LEY.

The Ruling of this Court

This petition lacks merit.

Anent the first ground, petitioner posited that its counterclaim for unpaid obligations is in the nature of a compulsory counterclaim in the original action of the private respondents against petitioner for reformation of instrument. Private respondents, on the other hand, countered that petitioner's counterclaim is only permissive and its failure to pay the docket fees brought about the dismissal of its claim.

A compulsory counterclaim is any claim for money or any relief, which a defending party may have against an opposing party, which at the time of suit arises out of, or is necessarily connected with, the same transaction or occurrence that is the subject matter of the plaintiff's complaint.[11] It is compulsory in the sense that it is within the jurisdiction of the court, does not require for its adjudication the presence of third parties over whom the court cannot acquire jurisdiction and will be barred in the future if not set up in the answer to the complaint in the same case. Any other counterclaim is permissive.[12]

The Court has ruled that the compelling test of compulsoriness characterizes a counterclaim as compulsory if there should exist a logical relationship between the main claim and the counterclaim.[13] The Court further ruled that there exists such a relationship when conducting separate trials of the respective claims of the parties would entail substantial duplication of time and effort by the parties and the court; when the multiple claims involve the same factual and legal issues; or when the claims are offshoots of the same basic controversy between the parties.[14]

The criteria to determine whether the counterclaim is compulsory or permissive are as follows: (1) Are the issues

of fact or law raised by the claim and the counterclaim largely the same? (2) Would res judicata bar a subsequent suit on defendant's claim absent the compulsory counterclaim rule? (3) Will substantially the same evidence support or refute plaintiff's claim as well as the defendant's counterclaim? and (4) Is there any logical relation between the claim and the counterclaim? A positive answer to all four questions would indicate that the counterclaim is compulsory.[15]

Applying the above-mentioned criteria, this Court is of the considered view that petitioner's counterclaim for the recovery of the amount representing the proceeds of the sale of the goods covered by the trust receipts or the amount of goods which private respondents failed to turn-over is permissive. The evidence required to determine that the real agreement of the parties is actually a contract of loan is different from that needed to establish petitioner's claim for unpaid obligation due to private respondents' failure and/or refusal to hand over the sales' proceeds of the goods that were covered by the trust receipts.

Moreover, the issue in the main action, i.e., whether or not the trust receipts reflects the real agreement of the parties which happens to be a contract of loan, is different from the issue in the counterclaim which is whether private respondents is liable to pay the amount of the proceeds of the goods covered by the trust receipts.

The rule in permissive counterclaim is that for the trial court to acquire jurisdiction, the counterclaimant is bound to pay the prescribed docket fees.[16] Petitioner, however, did not do as it kept on insisting that its claim for payment of the sales' proceeds of the goods was a compulsory counterclaim.[17] Since petitioner failed to pay the docket fees, the RTC did not acquire jurisdiction over its permissive counterclaim and thus, there is no need for us to discuss the second ground elevated by the petitioner.

Considering the foregoing discussion, we rule that the trial court did not commit any grave abuse of discretion when it dismissed the counterclaim in view of the non-payment of docket fees. Anyway, petitioner is not without recourse as it can still file a separate action against the private respondents because the counterclaim is capable of proceeding independently from the main case of reformation of instrument.

WHEREFORE, premises considered, the instant petition is DENIED. The assailed Resolutions dated 14 February 2011 and 29 July 2011, respectively of the Regional Trial Court are AFFIRMED.

SO ORDERED.

Dimaampao, (Chairperson), and Sadang, JJ., concur.

[1] Rollo, pp. 28-30

[2] Id., p. 31

[3] Id., pp. 3-25

[4] Id., pp. 117-125

[5] Id., pp. 54-59

[6] Id., pp. 126-144

[7] Supra on note 1

[8] Rollo, pp. 152-159

[9] Supra on note 2

[10] Supra on note 3, pp. 12-13

[11] *Estherlita Cruz-Agana vs. Hon. Judge Aurora Santiago-Lagman* (in her capacity as Presiding Judge of the Regional Trial Court, Branch 77, Malolos, Bulacan) and *B. Serrano Enterprises, Inc.*, G. R. No. 139018, April 11, 2005, 455 SCRA 203.

[12] Id.

[13] *Manuel Bungcayao Sr., represented in this case by his attorney-in-fact Romel Bungcayao vs. Fort Ilocandia Property Holdings and Development Corporation*, G. R. No. 170483, April 19, 2010, 618 SCRA 381

[14] Id.

[15] Id.

[16] Id.

[17] Rollo, pp. 193-194

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