

LUZ E. TAGANAS AND VALENTIN G. TABBAL, PETITIONERS, VS. HON. MELITON G. EMUSLAN AND STANDARD INSURANCE CO., INC., RESPONDENTS.

G.R. No. 146980. September 02, 2003

Ponente: CORONA, J.

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CORONA, J.:

At bar is a Petition for Review on Certiorari filed by petitioners assailing the September 12, 2000 Decision[1] of the Court of Appeals upholding the twin orders[2] issued by the Regional Trial Court of Urdaneta City, Pangasinan, Branch 47. The first order denied petitioners' motion to dismiss, while the second denied their subsequent motion for reconsideration.

The antecedents follow.

On July 11, 1997, a road accident involving four vehicles occurred along the national highway in Barangay San Jose, San Joaquin Sur, Agoo, La Union.

The vehicles involved were a "Jack and Yolly" minibus, an Isuzu Elf van owned by Josalde and Zenaida Junto, a Petron tanker truck owned and operated by petitioner Luz Taganas and a Shell tanker truck.

According to the records, the minibus, the Juntos' Isuzu Elf van and the petitioner's Petron tanker truck were traveling in that order on one side of the road. Going the opposite direction on the other side of the road was the Shell tanker truck. The Isuzu Elf tried to overtake the minibus but collided head-on instead with the Shell tanker truck, after which it swerved back to its lane, this time bumping the rear of the minibus. The Petron tanker truck at the end of the column was not able to stop and in turn rammed the rear of the Isuzu Elf van.

The owners of the Elf van, the Juntos, filed a complaint for damages against petitioners Luz Taganas and Valentin Tabbal, the owner and driver respectively of the Petron tanker truck. The case was docketed as Civil Case No. 97-02055-D.

On the other hand, private respondent, Standard Insurance Co., Inc, insurer of the Shell tanker truck, filed a separate complaint for damages against both the Juntos and petitioners Taganas and Tabbal, docketed as Civil Case No. 6754.

On March 10, 1999, petitioners filed a motion to dismiss Civil Case No. 6754 on the grounds of prematurity of action and multiplicity of suits.

On April 5, 1999, Civil Case No. 97-02055-D was decided holding the owners of the Isuzu Elf van (the Juntos) liable for the damage sustained by petitioner Taganas' Petron tanker truck.

On April 26, 1999, the trial court, in Civil Case No. 6754, denied petitioners' motion to dismiss.

On May 10, 1999 petitioners filed a "Second Motion to Dismiss," this time invoking res judicata. In addition to

said motion, petitioners likewise moved for the dismissal of the Juntos' cross-claim against them.

On August 5, 1999, the trial court, in its first assailed order, granted the motion to dismiss the cross-claim but denied the second motion to dismiss. The pertinent portion read:

x x x . A perusal of the Decision rendered by the RTC in Dagupan City would disclose that all the first three requisites or conditions of res judicata are present. It is the final condition requiring identity of parties, of subject matter and causes of action that there is no coincidence.

Plaintiff insurance company was never a party in the case before the RTC of Dagupan City. Its cause of action is legal subrogation to the rights of the insured, whose vehicle was damaged in the vehicular accident involving the vehicles of the defendants. Neither was the insured involved in the litigation before the Dagupan City RTC so as to bar the plaintiff insurer, who merely stepped into the shoes of the insured party, so to speak.

On the basis also of the principle of res inter alios acta, the proceedings before the RTC of Dagupan City cannot affect the rights of those not parties thereto.

The Court, however, finds justification and merit in movants' MOTION TO DISMISS CROSS CLAIM. It is in respect to the cross-claim of defendants ZENAIDA JUNTO and JOSALDE JUNTO against the other defendants TAGANAS and TABBAL that the doctrine of res judicata perfectly applies to bar their cross-claim. To allow the cross-claim to prosper would relitigate the same issue that has already been finally decided. It would not put to an end the litigation of the same parties before the Dagupan City RTC. The doctrine of res judicata, in fact is founded on the public policy that it is the interest of the State that there should be an end to litigation and that a party should not be vexed twice for the same cause (LINZAG vs. CA, Ibid).

WHEREFORE, premises considered, the Court rules:

- The SECOND MOTION TO DISMISS filed by defendants LUZ TAGANAS and VALENTIN TABBAL is DENIED for lack of merit.
- The MOTION TO DISMISS the CROSS-CLAIM of defendants JUNTO is GRANTED on the ground of res judicata.[3]

On August 30, 1999, petitioners filed a partial motion for reconsideration but the same was denied in the second assailed order dated September 13, 1999.

Petitioners then elevated the case to the Court of Appeals via petition for certiorari but it too was dismissed:

Consequently, the principle of res judicata that would operate as an absolute bar to a subsequent action does not apply to the case at bench. The decision rendered by the regional trial court of Dagupan City is conclusive only as between petitioners and the Juntos but not to herein private respondent who has a different cause of action.

The decision rendered by the regional trial court of Dagupan City in Civil Case No. 97-02055-D is, therefore, not a bar to the complaint filed by private respondent before the regional trial court of Urdaneta City.

Concluding, we hold that respondent judge did not commit any reversible error nor grave abuse of discretion in denying the motion to dismiss filed by petitioners.

WHEREFORE, the assailed orders are hereby AFFIRMED. No costs.

SO ORDERED.[4]

Hence, the instant petition wherein petitioners assign the following errors:

I

IN NOT DETERMINING WHETHER OR NOT THE PRIVATE RESPONDENT HAS A CAUSE OF ACTION AGAINST PETITIONERS ON THE BASIS OF THE CONCLUSIVE FACT THAT THE JUNTOS AS THE OTHER DEFENDANTS IN THIS INSTANT CASE WERE ADJUDGED IN A PREVIOUS CASE AS THE WRONGDOER OR WHOSE FAULT AND NEGLIGENCE CAUSED THE VEHICULAR MISHAPS SIMILARLY INVOLVED IN SUCH PREVIOUS CASE AND IN THIS SUBSEQUENT CASE, PURSUANT TO THE LAW ON SUBROGATION (ART. 2207 OF THE CIVIL CODE OF THE PHILIPPINES)

II

IN NOT APPLYING THE DOCTRINE OF RES JUDICATA IN THIS INSTANT CASE IN THE LIGHT OF THE STATE OF FACTS ALREADY ADJUDGED WITH CERTAINTY AND FINALITY BY THE COURT, IN ACCORDANCE WITH APPLICABLE RULINGS OR LEGAL PRECEPTS ON THE MATTER.

Stated otherwise, petitioners, invoking the doctrine of res judicata, contend that since the RTC in Civil Case No. 97-02055-D already decided with finality that they were not liable for the vehicular accident, private respondent no longer had any cause of action against them.

It is true that the two cases could have been properly consolidated. But since Civil Case No. 97-02055-D was already near its conclusion when Civil Case No. 6754 was filed, consolidation was no longer possible through no fault of the parties.

The Court, however, finds petitioner's argument specious.

Res judicata refers to the rule that a final judgment or decree on the merits by a court of competent jurisdiction is conclusive of the rights of the parties or their privies in all later suits on all points and matters determined in the former suit.[5]

The elements of res judicata are as follows: (1) the former judgment or order must be final; (2) the judgment or order must be on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and the parties; (4) there must be, between the first and the second action, identity of parties, of subject matter and cause of action.[6]

For res judicata to apply, all the above essential requisites must exist.

Since, the decision rendered by the RTC in Civil Case No. 97-02055-D (declaring the Juntos liable for the damage sustained by petitioners) had become final, there existed a final and executory judgment in favor of petitioners rendered by a court of competent jurisdiction. But this was only insofar as Civil Case No. 97-02055-D was concerned.

Civil Case No. 6754 was an entirely different story. The Court agrees with both the trial court (in Civil Case No. 6754) and the appellate court that there was neither identity of parties nor identity of subject matter, much less identity of cause of action between Civil Case No. 97-02055-D and Civil Case No. 6754.

There is identity of parties where the parties in both actions are the same or there is privity between them or they are successors-in-interest by title subsequent to the commencement of the action, litigating for the same thing and under the same title and in the same capacity.[7]

Clearly, there was, in the two cases, no identity of parties. The owner of the Shell tanker truck was never a party in Civil Case No. 97-02055-D. Neither was the private respondent insurance company a party therein. Since private respondent insurance company, whose cause of action was legal subrogation to the rights of the owner of the Shell tanker, was not a party in Civil Case No. 97-02055-D, it was not barred from filing Civil Case No. 6754.

Res judicata clearly did not apply to it.

On the issue of identity of subject matter, the subject of an action is defined as the matter or thing with respect to which the controversy has arisen, concerning which a wrong has been done.[8]

In Civil Case No. 97-02055-D, the subject matter was the collision between the Isuzu Elf van owned by the Juntos and the Petron tanker truck owned and operated by petitioner Luz Taganas. However, in Civil Case No. 6754, the subject matter was the collision between the Shell tanker truck insured by private respondent insurance company and the Isuzu Elf van of the Juntos which was rear-ended by the Petron tanker truck of petitioner.

Finally, the Rules of Court defines cause of action as the act or omission by which a party violates a right of another.[9] Records reveal that Civil Case No. 97-02055-D was filed by the Juntos against petitioners for the damage caused by petitioners' Petron tanker truck to the Juntos' Isuzu Elf van. On the other hand, Civil Case No. 6754 was filed by private respondent insurance company against both petitioners and the Juntos arising from the damage suffered by the Shell tanker truck insured by it.

The Court therefore finds no reversible error committed by the Court of Appeals. The decision of the trial court in Civil Case No. 97-02055-D was conclusive only as between the petitioners and the Juntos, and not as to private respondent. Consequently, the principle of res judicata did not apply.

WHEREFORE, the petition is hereby denied. The decision of the Court of Appeals in C-A G.R. SP No. 55500 is AFFIRMED.

SO ORDERED.

Puno, (Chairman), Panganiban, Sandoval-Gutierrez, and Carpio-Morales, JJ., concur.

[1] Penned by Associate Justice Oswaldo D. Agcaoili and concurred in by Associate Justices Angelina S. Gutierrez (now Associate Justice of the Supreme Court) and Wenceslao I. Agnir, Jr. of the Fifth Division.

[2] Penned by Judge Meliton G. Emuslan.

[3] Rollo, pp. 28-29.

[4] Rollo, pp. 35-36.

[5] Allied Banking Corporation vs. Court of Appeals, 229 SCRA 252 [1994].

[6] Mirpuri vs. Court of Appeals, 318 SCRA 516 [1999].

[7] Cagayan De Oro Coliseum, Inc. vs. Court of Appeals, 320 SCRA 731 [1999].

[8] Yusingco vs. Ong Hing Lian, 42 SCRA 589 [1971].

[9] Rule 2, Section 2.

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