

**SILANGAN TEXTILE MANUFACTURING CORPORATION,
TRADEWORLD SYNERGY, INCORPORATED, AND CELLU INDUSTRIES,
INCORPORATED, PETITIONERS, VS. HON. AVELINO G. DEMETRIA,
PRESIDING JUDGE, REG...**

G.R. No. 166719. March 12, 2007

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-166719/>

CHICO-NAZARIO, J.:

Luzon Spinning Mills, Incorporated (LSMI) filed before the Regional Trial Court (RTC) of Lipa City, Branch 85, a Complaint dated 23 August 2000, for Collection of Sum of Money[1] against Silangan Textile Manufacturing Corporation (STMC). In its Complaint, LSMI alleged that from 19 November 1998 to 14 June 1999, Anita, Jimmy and Benito, all surnamed Silangan, in their capacity as stockholders and officers of STMC ordered 111,161.60 kilograms of yarn, valued in the total amount of P9,999,845.00. The yarns were delivered at the office of STMC as evidenced by delivery receipts.[2] In payment of the yarns, STMC issued 34 postdated checks in the total amount of P9,999,845.00. Among these postdated checks are the following:

Check No. Date Amount

0239973 5-12-99 P317,952.00

0239990 1-05-99 316,125.00

0239991 1-05-99 229,110.00

0239992 1-07-99 288,771.00

0239994 1-12-99 200,025.00

0239995 1-12-99 287,748.00

0296801 1-29-99 207,970.00

0296802 1-30-99 206,127.00

0296803 2-01-99 316,577.00

TOTAL

2,370,405.00[3]

When presented for payment, the foregoing postdated checks were dishonored for the reason, "Drawn Against Insufficient Fund" (DAIF). LSMI demanded from STMC the immediate payment of the obligation.[4] STMC failed and refused to heed the demand of LSMI; hence, the latter filed the Complaint before the RTC.

In accordance with the prayer of LSMI, and finding the same to be sufficient in form and substance, the RTC

issued a writ of preliminary attachment against STMC's properties.[5] In this connection, a notice of attachment on the properties in the name of STMC covered by Transfer Certificates of Title No. 202686 and No. 202685 was issued.[6]

Apparently, LSMI had already previously instituted before the Municipal Trial Court (MTC) of Lipa City, Branch 1, criminal cases against the Silangans for violation of Batas Pambansa Blg. 22. Thus, STMC was prompted to file a Motion, praying to dismiss the civil Complaint before the RTC, to cite STMC's lawyer for contempt for forum shopping, and to discharge the writ of preliminary attachment issued by the trial court.[7] After LSMI filed its Comment/Opposition to the motion of STMC, the RTC resolved the said motion by denying it for lack of merit.[8]

The RTC held that:

For forum-shopping to exist, both actions must involve the same transactions and same essential facts and circumstances. There must also be identical causes of action, subject matter and issues (PRC vs. CA, 292 SCRA 155). Forum-shopping also exists where the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in the other (Alejandro vs. CA, 295 SCRA 536).

In the case at bar, the two (2) cases, one for violation of BP 22 and the other for collection of sum of money although concerning the same amount of money are distinct litigations, neither involving exactly the same parties nor identical issues.

The accused in the criminal cases for violation of BP 22 are the persons who signed the worthless checks while the defendants in the instant case are the corporations which have outstanding obligations to the plaintiff. Hence, there is no identity of parties in the aforesaid cases.

As to whether or not the requisites prescribed by law for the issuance of a writ of preliminary attachment have been complied with, record show (sic) that the contents of the affidavit required for the issuance of a writ of preliminary attachment were incorporated in the complaint, verified and certified as correct by Mr. Vicente Africa, Jr. Thus, there was substantial compliance of Section 3, Rule 57 of the Rules of Court.[9]

The Motion for Reconsideration and Motion to Discharge Attachment and Admit Counter-bond[10] filed by STMC were denied by the RTC in its Order dated 9 April 2001.[11]

STMC elevated the case to the Court of Appeals via a Petition for Certiorari under Rule 65 of the Rules of Court[12] which was dismissed by the appellate court in a Decision[13] dated 25 October 2004, holding that:

But it is also true that when the bounced check involved is issued by a corporation, B.P. Blg. 22 imposes the criminal liability only on the individual/s who signed the check, presumably in keeping with the principle that generally only natural persons may commit a crime. Thus:

"Where the check is drawn by a corporation, company or entity, the person or persons who actually signed the check in behalf of such drawer shall be liable under this Act."

We hold, at any rate, that with respect to the civil liability, the corporation concerned should bear the responsibility, the drawing of the bum check being a corporate act. And a corporation has a legal personality of its own different from that of its stockholders/officers who signed the check/s.

Accordingly, since the herein petitioners, as drawers of the checks in question, are not parties to the criminal cases for violation of B.P. Blg. 22, the private respondent was and is not prohibited from filing an independent civil action against them.

Moreover, the civil liability of the accused Silangan(s), the signatories of the checks in the criminal cases, is based on Article 20 of the Civil Code as declared in *Banal vs. Tadeo, Jr.*

On the other hand, the liability of petitioners corporations arose from contract. Under Article 31 of the Civil Code and also Section 1(a), Rule 111 of the 2000 Revised Rules on Criminal Procedure, the offended party has the right to institute a separate civil action when its nexus is liability not arising from the crime, like a liability arising from contract.

In fine, there is no violation of SC Administrative Circular No. 57-97, now Section 1(b) of the 2000 Revised Rules of Criminal Procedure. The civil actions for the liability of the Silangans as the signatories to the subject checks are deemed included in the criminal actions filed against them. The separate action filed against the petitioners corporations for the recovery of the purchase price of the yarn sold to them did not detract from it as this is an entirely different suit.

x x x x

WHEREFORE, for being deficient both in form and in substance, the instant petition is DISMISSED, with costs against the petitioners.

STMC filed a Motion for Reconsideration thereon which was denied by the Court of Appeals in a Resolution dated 24 January 2005.[14]

Hence, the instant petition.

STMC submits the following issues for our resolution:

- I. Whether or not the Honorable Court of Appeals erred in affirming the conclusion of public respondent Judge Demetria that the certification against forum-shopping is inapplicable in this case?
- II. Whether or not the Honorable Court of Appeals erred in affirming the conclusion of the public respondent Judge Demetria when it failed to apply Section 1(b), Rule 111 of the 2000 Revised Rules of Criminal Procedure?
- III. Whether or not the Honorable Court of Appeals erred in affirming the conclusion of the public respondent Judge Demetria when it issued the writ of preliminary attachment in favor of the private respondent.

In its first assigned error, STMC argues that LSMI through its Operation Manager, Mr. Vicente Africa, failed to certify under oath that he had earlier filed criminal cases for violation of Batas Pambansa Blg. 22 against the Silangans before the MTC. These cases are as follows:

Case Number Name of Accused

(a)

00-0295 to 00- 0299 and 00-305

Anita Silangan and Benito Silangan

b)

00-0294, 0300-04 and 306-09

Anita Silangan and Jimmy Silangan

(c)

00-1246

Anita Silangan and Benito Silangan

(d)

99-2145 to 99-2154

Anita Silangan and Benito Silangan

99-2154

The criminal cases for violation of Batas Pambansa Blg. 22 and the collection of sum of money have the same issues, i.e., the recovery of the subject checks. The subsequent filing of the civil case for sum of money constitutes forum shopping.

Forum shopping exists when the elements of *litis pendentia* are present, or when a final judgment in one case will amount to *res judicata* in another. There is forum shopping when the following elements concur: (1) identity of the parties or, at least, of the parties who represent the same interest in both actions; (2) identity of the rights asserted and relief prayed for, as the latter is founded on the same set of facts; and (3) identity of the two preceding particulars, such that any judgment rendered in the other action will amount to *res judicata* in the action under consideration or will constitute *litis pendentia*.^[15]

We grant the petition.

The case of *Hyatt Industrial Manufacturing Corporation v. Asia Dynamic Electrix Corporation*^[16] is instructive. In that case, Hyatt Industrial Manufacturing Corporation (HIMC) instituted before the Regional Trial Court of Mandaluyong City a complaint for recovery of sum of money against respondent Asia Dynamic Electrix Corporation (ADEC). The complaint alleged that ADEC purchased from HIMC various electrical conduits and fittings amounting to P1,622,467.14. ADEC issued several checks in favor of HIMC as payment. The checks, however, were dishonored by the drawee bank on the ground of insufficient funds/account closed. Before the filing of the case for recovery of sum of money before the RTC of Mandaluyong City, HIMC had already filed separate criminal complaints for violation of Batas Pambansa Blg. 22 against the officers of ADEC, Gil Santillan and Juanito Pamatmat. They were docketed as I.S. No. 00-01-00304 and I.S. No. 01-00300, respectively, and were both pending before the Metropolitan Trial Court (MeTC) of Pasig City. These cases involved the same checks which were the subjects of Civil Case No. MC-01-1493 before the RTC of Mandaluyong City.

In holding that the civil case filed subsequent to the criminal cases was deemed instituted in the criminal cases, this Court held:

It is clear from the records that the checks involved in I.S. No. 00-01-00304 and I.S. No. 00-01-00300 are the same checks cited by petitioner in Civil Case No. MC 01-1493. The Court will certainly not allow petitioner to recover a sum of money twice based on the same set of checks. Neither will the Court allow it to proceed with two actions based on the same set of checks to increase its chances of obtaining a favorable ruling. Such runs counter to the Court's policy against forum shopping which is a deplorable practice of litigants in resorting to two different fora for the purpose of obtaining the same relief to increase his chances of obtaining a favorable judgment. It is a practice that ridicules the judicial process, plays havoc with the rules on orderly procedure, and is vexatious and unfair to the other parties of the case.^[17]

In dismissing Civil Case No. MC-01-1493, this Court applied and interpreted Supreme Court Circular No. 57-97 effective 16 September 1997, which reads:

- The criminal action for violation of Batas Pambansa Blg. 22 shall be deemed to necessarily include the corresponding civil action, and no reservation to file such action separately shall be allowed or recognized.

From this Supreme Court Circular was adopted Rule 111(b) of the 2000 Revised Rules of Criminal Procedure which reads:

(b) The criminal action for violation of Batas Pambansa Blg. 22 shall be deemed to include the corresponding civil action. No reservation to file such civil action separately shall be allowed.

In the Hyatt case, the Court further negated the claim that there are no identity of parties and causes of action in the criminal and civil complaints for violation of Batas Pambansa Blg. 22 where a criminal case against the corporate officers is filed ahead of the civil case against the corporation. The parties in the civil case against the corporation represent the same interest as the parties in the criminal case. As to the issue of identity or non-identity of relief sought, this Court held that the criminal case and the civil case seek to obtain the same relief. Thus:

With the implied institution of the civil liability in the criminal actions before the Metropolitan Trial Court of Pasig City, the two actions are merged into one composite proceeding, with the criminal action predominating the civil. The prime purpose of the criminal action is to punish the offender to deter him and others from committing the same or similar offense, to isolate him from society, reform or rehabilitate him or, in general, to maintain social order. The purpose, meanwhile, of the civil action is for the restitution, reparation or indemnification of the private offended party for the damage or injury he sustained by reason of the delictual or felonious act of the accused. Hence, the relief sought in the civil aspect of I.S. No. 00-01-00304 and I.S. No. 00-01-00300 is the same as that sought in Civil Case No. MC 01-1493, that is, the recovery of the amount of the checks, which, according to [HIMC], represents the amount to be paid by [ADEC] for its purchases. To allow [HIMC] to proceed with Civil Case No. MC 01-1493 despite the filing of I.S. 00-01-00304 and I.S. No. 00-01-00300 might result to a double payment of its claim.[18]

The purpose of Section 1(b) of Rule 111 is explained by Justice Florenz D. Regalado, former chairman of the Committee tasked with the revision of the Rules of Criminal Procedure. He clarified that the special rule on Batas Pambansa Blg. 22 cases was added because the dockets of the courts were clogged with such litigations and creditors were using the courts as collectors. While ordinarily no filing fees are charged for actual damages in criminal cases, the rule on the necessary inclusion of a civil action with the payment of filing fees based on the face value of the check involved was laid down to prevent the practice of creditors of using the threat of a criminal prosecution to collect on their credit free of charge.[19]

Applying the Hyatt case to the case before us, the dismissal of Civil Case No. 00-0420 before the RTC is warranted. It is not denied that LSMI likewise filed several criminal complaints against the officers of STMC before the MTC prior to the filing of Civil Case No. 00-0420. As provided in Supreme Court Circular No. 57-97, as re-echoed in Rule 111, Section 1(b), of the 2000 Rules of Criminal Procedure, the civil action now filed against STMC arising from its issuance of the bouncing checks is deemed instituted in the criminal cases filed against its officers pending before the MTC.

Finally, as to the prayer of STMC for the discharge of the Writ of Preliminary Attachment issued by the RTC, Rule 57 of the Revised Rules of Court provides:

SECTION 1. Grounds upon which attachment may issue. - At the commencement of the action or at any time before entry of judgment, a plaintiff or any proper party may have the property of the adverse party attached as security for the satisfaction of any judgment that may be recovered in the following cases:

(a) In an action for the recovery of a specified amount of money or damages, other than moral and exemplary, on a cause of action arising from law, contract, quasi-contract, delict or quasi-delict against a party who is about to depart from the Philippines with intent to defraud his creditors.

x x x x

SEC. 2. Issuance and contents of order. - An order of attachment may be issued either ex parte or upon motion with notice and hearing by the court in which the action is pending, or by the Court of Appeals or the Supreme

Court, and must require the sheriff of the court to attach so much of the property in the Philippines of the party against whom it is issued, not exempt from execution, as may be sufficient to satisfy the applicant's demand, unless such party makes deposit or gives a bond as hereinafter provided in an amount equal to that fixed in the order, which may be the amount sufficient to satisfy the applicant's demand or the value of the property to be attached as stated by the applicant, exclusive of costs. Several writs may be issued at the same time to the sheriffs of the courts of different judicial regions.

SEC. 3. Affidavit and bond required. - An order of attachment shall be granted only when it appears by the affidavit of the applicant, or of some other person who personally knows the facts, that a sufficient cause of action exists, that the case is one of those mentioned in Section 1 hereof, that there is no other sufficient security for the claim sought to be enforced by the action, and that the amount due to the applicant, or the value of the property the possession of which he is entitled to recover, is as much as the sum for which the order is granted above all legal counterclaims. The affidavit, and the bond required by the next succeeding section, must be duly filed with the court before the order issues.

Attachment is an ancillary remedy. It is not sought for its own sake but rather to enable the attaching party to realize upon relief sought and expected to be granted in the main or principal action.[20] Being an ancillary or auxiliary remedy, it is available during the pendency of the action which may be resorted to by a litigant to preserve and protect certain rights and interests therein pending rendition, and for purposes of the ultimate effects, of a final judgment in the case. They are provisional because they constitute temporary measures availed of during the pendency of the action and they are ancillary because they are mere incidents in and are dependent upon the result of the main action.[21]

A writ of preliminary attachment is a species of provisional remedy. As such, it is a collateral proceeding, permitted only in connection with a regular action, and as one of its incidents; one of which is provided for present need, or for the occasion; that is, one adapted to meet a particular exigency.[22] On the basis of the preceding discussion and the fact that we find the dismissal of Civil Case No. 00-00420 to be in order, the writ of preliminary attachment issued by the trial court in the said case must perforce be lifted.[23]

WHEREFORE, premises considered, the petition is GRANTED. The Decision of the Court of Appeals dated 25 October 2004 and Resolution dated 24 January 2005 affirming the Resolution dated 9 April 2001 of the Regional Trial Court of Lipa City, Branch 85, are hereby REVERSED and SET ASIDE. Civil Case No. 00-0420 before the Regional Trial Court of Lipa City, Branch 85, is ordered DISMISSED. The attachment over the properties by the writ of preliminary attachment issued by the same trial court is hereby ordered LIFTED.

SO ORDERED.

Ynares-Santiago, Austria-Martinez, and Nachura, JJ., concur.
Callejo, Sr., J., on leave.

[*] The Complaint was filed against the above named petitioners but in the course of the proceedings before the Regional Trial Court and the Court of Appeals only Silangan Textile and Manufacturing Corporation and Benito, Anita and Jimmy, all surnamed Silangan, in their capacity as stockholders and officers of Silangan Textile Manufacturing Corporation participated in the proceedings.

[1] Docketed as Civil Case No. 00-0420. Records, p. 2.

[2] Id. at 11-33.

[3] Rollo, p. 281.

[4] Id.

[5] Order dated 15 September 2000 of the Regional Trial Court, Branch 85, Lipa City, states: x x x "discreet inquiries made upon the activities of the defendant corporation as well as upon those of the members of their respective Board of Directors, which board are composed of the same group of persons or members of the same family, disclosed that the latter are about to depart from the Philippines in order to evade outstanding liabilities not only to the plaintiff but also to other creditors"; that the board of directors are about to dispose of the properties of the said defendant corporations in order to evade outstanding liabilities not only to the plaintiff but also to other creditors; that plaintiff is ready and willing to file a bond in the amount the Honorable Court may require to answer for any damages defendant may suffer by reason of the attachment should plaintiff be ultimately found not entitled thereto, thus, the application for preliminary attachment.

Finding the plaintiff's application to be sufficient in form and substance, the Court hereby grants the same.

WHEREFORE, let a writ of preliminary attachment be issued against defendants' properties. (Records, p. 57.)

[6] Id. at 62.

[7] Id. at 82.

[8] Id. at 155-156.

[9] Id. at 155.

[10] Id. at 161.

[11] Id. at 245. Presided by Judge Avelino G. Demetria.

[12] Docketed as CA-G.R. SP No. 673634.

[13] Penned by Associate Justice Salvador J. Valdez, Jr. with Associate Justices Juan Q. Enriquez and Vicente Q. Roxas, concurring; rollo, pp. 8-20.

[14] Id. at 332-333.

[15] PAL Employees Savings and Loan Association, Inc. v. Philippine Airlines, Inc., G.R. No. 161110, 30 March 2006, 485 SCRA 632, 646-647.

[16] G.R. No. 163597, 29 July 2005, 465 SCRA 454, 457-459.

[17] Id. at 463-464.

[18] Id. at 462-463.

[19] Rodriguez v. Ponferrada, G.R. Nos. 155531-34, 29 July 2005, 465 SCRA 338, 352, 353.

[20] BAC Manufacturing and Sales Corporation v. Court of Appeals, 200 SCRA 130, 139.

[21] Regalado, REMEDIAL LAW COMPENDIUM, Vol. 1 (7th Ed.), p. 606.

[22] Feria Noche, CIVIL PROCEDURE ANNOTATED (2001 Ed.), p. 261.

[23] Golez v. Leonidas, G.R. No. L- 56587, 31 August 1981, 107 SCRA 187,189.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.