

**ESTELITA, ROBERTO, LEONARD, REYNALDO, ELY, MYRNA,
MICHAELANGELO, ROMEO AND LEONOR, ALL SURNAMED ROSALES,
PETITIONERS, VS. COURT OF FIRST INSTANCE OF LANA DEL
NORTE, BRANCH III,...**

G.R. No. 62577. September 21, 1987

Ponente: CRUZ. J.

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CRUZ. J.:

The basic issue in this case is whether or not the contract of lease between the petitioners and the private respondent has already expired according to their stipulations. However, that is not what we are called upon to decide at this time. What is raised in this petition is a question of procedure, viz., which of two cases involving the same parties and the same subject shall have precedence over the other. That is what we shall determine now.

The antecedents are as follows: The petitioners and the respondent entered into a contract of lease over the former's property for the expressed period of three years beginning March 1, 1977.[1] On January 12, 1980, the petitioners advised the private respondent that he would have to vacate the leased premises on March 1, 1980, not only because of the lapse of the agreed term but also because he had subleased the property in violation of their agreement.[2] The private respondent objected, claiming that his verbal agreement with them was for a period of ten years, which was the reason he had introduced permanent and costly improvements in the building, and moreover they had also consented to his sublease of the property.[3] As no agreement between the parties appeared in sight, the private respondents beat his adversaries to the draw, so to speak, by filing on February 21, 1980, with the Court of First Instance of Iligan City an action[4] for the continued enforcement of the lease contract and for damages.[5] The said court on February 28, 1980, one day before the expiration of the lease, issued a restraining order that maintained the status quo between the parties.[6] Ten days later, the petitioners filed their own complaint, this time for unlawful detainer,[7] with the City Court of Iligan City.[8] This was followed two days later with a motion to dismiss the private respondents' complaint before the Court of First Instance on the ground inter alia of the pendency of the ejectment case, and for the lifting of the temporary restraining order.[9] For his part, the private respondent moved to dismiss the ejectment suit also on the ground of lis pendens, his argument being that the case he had filed earlier should be decided first before the petitioners' complaint could be entertained.[10]

In the Court of First Instance, the petitioners' motion was in effect denied with its Order dated May 27, 1981, that the "determination of the said motion is hereby deferred until the trial." [11] The motion for reconsideration was denied in an Order dated September 14, 1982.[12] In the City Court, the petitioners fared no better when the ejectment case was on April 24, 1980, "ordered held in abeyance until the case in the Court of First Instance is finally resolved." [13] The motion for reconsideration was denied in an Order dated October 4, 1982.[14] Thus failing in both courts, the petitioners have come to this Court, praying for a reversal of the said orders on the ground that they were issued with grave abuse of discretion amounting to lack of jurisdiction.

Specifically, the petitioners ask us to enjoin the trial of the enforcement suit before the Court of First Instance and to order the City Court to proceed with the ejectment case.

The facts of this case are practically the same as those of *Pardo v. Encarnacion*,^[15] decided in 1968, which is itself a reaffirmation of several earlier decisions. The present case must be examined in accordance with these precedents.

In *Pardo*, the lessor and the lessee had stipulated on an initial period of twelve years for their lease, subject to extension by another eight years upon subsequent agreement of the parties. Negotiations for this purpose having failed, the lessee filed in the Court of First Instance of Cavite an action for the renewal of the lease at a reduced rental. This the lessor sought to dismiss by questioning the jurisdiction of the court and the venue of the case. One day after the expiration of the lease, the lessor commenced an ejectment case in the City Court of Quezon City, and this time it was the lessee who moved to dismiss, on the ground of the pendency of his own complaint in the Court of First Instance of Cavite. The City Court ruled it had jurisdiction. However, in a petition for certiorari and prohibition, the Court of First Instance of Quezon City issued a temporary restraining order that maintained the status quo between the parties pending action on the petition on the merits. Eventually, the Court of First Instance of Cavite, resolving the challenge to its own jurisdiction, declared it was competent to proceed with the specific performance case filed by the lessee. The lessor then came to us.

Speaking for a unanimous Court, Justice Angeles declared:

"The lessor, Carmen Pardo de Tavera, has brought the case directly to this Court on petition: (a) for certiorari, to annul the order of the respondent judge of the Court of First Instance of Cavite, declaring itself with jurisdiction to take cognizance of Civil Case No. N-872, and to likewise annul the orders of the respondent judge of the Court of First Instance of Quezon City in its Civil Case No. Q-10710 restraining the Quezon City Court from trying the ejectment case and denying the lessor's motion to dismiss; (b) for prohibition, to restrain the respondents judges of said Courts of First Instance from further proceeding with the aforesaid cases before them; and (c) for mandamus, to order the respondent judge of the Quezon City court to proceed with the hearing of the unlawful detainer-ejectment case pending therein until its final termination.

"We find the petition to be meritorious.

"The provision of the lease contract entered into between petitioner and respondent is apparently clear that unless the lessor and lessee agreed to a renewal thereof at least thirty days prior to the date of expiration, the lease shall not be renewed. The facts on record show that despite the exchange of communication, proposals and counterproposals, between the parties regarding a renewal of the lease, they were not able to arrive at an agreement within said period, for while the lessor wanted an increased rental, the lessee, on the other hand, proposed for a reduction. With this failure of an agreement, it is to be presumed that the lessee was aware that an ejectment case against him was forthcoming. Whether or not the case filed before the Cavite Court of First Instance, just one day before the expiration of the lease contract, was an anticipation to block the action for ejectment which the lessor was to take against the lessee, the fact, however, is that the lessee was not disposed to leave the premises. At any rate, while the said case before the Court of First Instance of Cavite appears to be one for specific performance with damages, it cannot be denied that the real issue between the parties is whether or not the lessee should be allowed to continue occupying the land as lessee.

"The situation is not novel to Us.

"It has been settled in a number of cases that the right of a lessee to occupy the land leased as against the demand of the lessor should be decided under Rule 70 (formerly Rule 72) of the Rules of Court.

"There is no merit to the contention that the lessee's supposed right to a renewal of the lease contract can not be decided in the ejectment suit. In the case of *Teodoro v. Mirasol*, *supra*, this Court held that "if the plaintiff has

any right to the extension of the lease at all, such right is a proper and legitimate issue that could be raised in the unlawful detainer case because it may be used as a defense to the action." In other words, the matter raised in the Court of First Instance of Cavite may be threshed out in the ejectment suit, in consonance with the principle prohibiting multiplicity of suits. And the mere fact that the unlawful detainer-ejectment case was filed later, would not change the situation to depart from the application of the foregoing ruling:

'It is to be noted that the Rules do not require as a ground for dismissal of a complaint that there is a prior pending action. They provide that there is pending action, not a pending prior action. The fact that the unlawful detainer suit was of a later date is no bar to the dismissal of the present action' (Teodoro, Jr. v. Mirasol, supra.)"[16]

Precedents are helpful in deciding cases when they are on all fours or at least substantially identical with previous litigations. Argumentum a simili valet in lege. Earlier decisions are guideposts that can lead us in the right direction as we tread the highways and byways of the law in the search for truth and justice. These pronouncements represent the wisdom of the past. They are the voice of vanished judges talking to the future. Except where there is a need to reverse them because of an emergent viewpoint or an altered situation, they urge us strongly that, indeed, the trodden path is best.

We have reviewed the ruling announced in the above-mentioned cases and we see no reason to deviate from it. Its logic remains valid and no change in the law or in the condition of the times calls for its revision or reversal. It is still sound doctrine and so we continue to apply it, remembering that *via trita est tutissima*.

WHEREFORE, the petition is granted and judgment is hereby rendered: a) SETTING ASIDE the Orders of the respondent Court of First Instance dated February 28, 1980, May 27, 1981, and September 14, 1982, in Civil Case No. 1352-80 and of the respondent City Court dated April 24, 1980 and October 4, 1982, in Civil Case No. 8174-AF; b) DIRECTING the respondent Court of First Instance to dismiss Civil Case No. 1352-80; and c) ORDERING the respondent City Court to commence hearing Civil Case No. 8174-AF without further delay. No costs. It is so ordered.

Teehankee, C.J., Narvasa, and Paras JJ., concur.
Gancayco, J., on leave.

[1] Annex "A", petition.

[2] Annex "C", petition; rollo, p. 53.

[3] Rollo, pp. 39-40.

[4] Docketed as Civil Case No. 1352-80.

[5] Annex "E", petition.

[6] Annex "F", Ibid.

[7] Docketed as Civil Case No. 8174-AF.

[8] Annex "G", petition.

[9] Annex "H", Ibid.

[10] Annex "N", Ibid.

[11] Annex "K", Id.

[12] Annex "M", Id.

[13] Annex "P", Id.

[14] Annex "S", Id.

[15] 22 SCRA 632.

[16] See also *Teodoro v. Mirasol*, 99 Phil. 150; *Pue v. Gonzales*, 87 Phil. 81; and *Lim Si v. Lim*, 98 Phil. 856.

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