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G.R. NOS. 153063-70. August 19, 2005

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

For review on certiorari is the Order,[1] dated April 18, 2002, of the Regional Trial Court of Makati City, Branch 142 in Civil Cases Nos. 94-2414 to 94-2421. In the said Order, the RTC granted herein respondents' motion to dismiss the complaints filed by petitioners herein based on the principle of stare decisis.

The instant case arose from the same set of facts as (1) *Mendoza v. Pepsi-Cola Products Philippines, Inc., et al.*, G.R. No. 153183 promulgated on July 24, 2002[2] affirming the Court of Appeals Decision, dated April 16, 2002, in CA-G.R. CV No. 53860;[3] and (2) *Rodrigo v. Pepsi Cola Products (Phils.), Inc. and Pepsico, Inc.*, G.R. No. 149411, dated October 1, 2001, which also affirmed the Court of Appeals Decision of May 21, 2001 in CA-G.R. CV No. 62837.[4]

The facts are culled from the aforesaid Decisions of the Court of Appeals as affirmed by this Court.

Petitioners are holders of soft drink bottle caps bearing the number "349," allegedly a winning combination in a contest sponsored by respondents Pepsi Cola Products Phils., Inc. (PCPPI) and PEPSICO, Inc. (PI).

Respondent PCPPI is a domestic corporation engaged in the production, bottling, and distribution of carbonated drinks, while respondent PI is a foreign corporation licensed to do business in the Philippines and is the major stockholder of PCPPI.

D.G. Consultores, a Mexican consulting firm that handled similar promotions in other countries, was tasked to randomly pre-select the winning numbers and send to respondents a list of the 60 winning numbers with their corresponding security codes. The process of selecting the winning numbers was implemented with the approval of the Department of Trade and Industry (DTI).

During the initial promotion period, from February 17 to May 8, 1992, respondents seeded 1000 numbers, 60 of which were winning numbers, 510 non-winning numbers, while the remaining 430 were unused. To ensure that the winning numbers would not be tampered, the DTI required respondents to submit the list of winning numbers including their security codes which was then deposited in a safety deposit box in a bank.[5]

Owing to the promotional campaign's success, respondents extended the "Number Fever" by five more weeks, from May 10 to June 12, 1992. Pepsi again tapped D.G. Consultores to predetermine the 25 additional winning numbers from the list of unused numbers.

On May 25, 1992, respondents announced "349" as the winning number for the May 26 draw. Later the same

night, Quintin Gomez, Jr., then PCPPI's Marketing Services Manager called DTI Director Madarang informing her that due to some security code problems a mistake had been made in the announcement of number "349" as the winning number.[6]

Numerous holders of the supposedly winning "349" crowns were not honored and paid by respondents, which led these rejected crown holders to file separate complaints for specific performance and damages.

Civil Case No. 93-68351 was originally filed before the Regional Trial Court of Manila, Branch 16, but the plaintiffs in the said case withdrew their complaint, leaving Gerson Mendoza as the sole plaintiff in *Gerson M. Mendoza v. Pepsi-Cola Products Phils., Inc. and Pepsico, Inc.*[7] The other plaintiffs re-filed their complaints before the Regional Trial Court of Manila, Branch 50, entitled *Romulo Rodrigo, et al. v. Pepsi Cola Products Philippines, Inc., et al.*, docketed as Civil Case No. 94-71403.[8]

For their part, petitioners herein filed their separate complaints, docketed as Civil Cases Nos. 94-2414 to 94-2421, before the Regional Trial Court of Makati, Branch 142.

In the Mendoza case, the RTC dismissed the complaint filed against herein respondents for specific performance and damages in connection with the Number Fever fiasco.[9] Mendoza appealed to the Court of Appeals, in CA-G.R. CV No. 53860, which was dismissed for lack of merit.[10] Unfazed, Mendoza filed with this Court a petition for review, which was denied for failure to sufficiently show that the Court of Appeals committed any reversible error.[11]

In the Rodrigo case, the RTC likewise dismissed the complaint against herein respondents for specific performance and damages arising from the said promotion.[12] On appeal, docketed as CA-G.R. CV No. 62837, the Court of Appeals affirmed the RTC decision.[13] A petition for review was subsequently filed with this Court, which was denied for failure to show that a reversible error was committed by the appellate court. The motion for reconsideration was also denied with finality[14] and entry of judgment was made.[15]

However, prior to the resolution of the Mendoza and Rodrigo cases, herein petitioners filed with the RTC, on December 11, 2000, a motion for leave[16] to (1) adopt the previous testimonial and documentary evidence in the Mendoza and Rodrigo cases; or (2) archive the case until final resolution of the said two cases, which were then pending with the Court of Appeals. The RTC granted the said motion on January 8, 2001 and the case was accordingly archived.[17]

Meantime, the Rodrigo case became final and executory on February 5, 2002 in view of our denial of therein petitioners' petition for review on certiorari and motion for reconsideration.

Hence, on February 20, 2002, herein respondents filed with the RTC a motion to dismiss[18] the complaints filed by petitioners herein invoking the principle of stare decisis. The RTC, in its assailed Order,[19] granted the motion to dismiss ratiocinating as follows:

The Court finds the instant motion meritorious under the principle of stare decisis. The said doctrine embodies the legal maxim that a principle or rule of law which has been established by the decision of a court of controlling jurisdiction will be followed in other cases involving similar situation. It is founded on the necessity for securing certainty and stability in the law and does not require identity or privy of parties. This is explicitly ordained in Article 8 of the Civil Code which provides that decisions applying or interpreting the laws or the Constitution shall form part of the legal system. Such decisions "assume the same authority as the statute itself and, until authoritatively abandoned, necessarily become, to the extent that they are applicable, the criteria which must control the actuations not only of those called upon to abide thereby but also of those in duty bound to enforce obedience thereto" (*Kilosbayan, Inc. et al. vs. Manuel Morato*, G.R. No. 118910, July 17, 1995).

In the instant cases as well as in Civil Case No. 93-68351 (the Mendoza case), not only are the legal rights and relations of the parties substantially the same as those passed upon in Civil Case No. 94-71403 (the Rodrigo case), but the facts, the applicable laws, the causes of action, the issues, and the testimonial and documentary evidence are identical such that a ruling in one case, i.e. the Rodrigo case in Civil Case No. 94-71403, under the rule of stare decisis, is a bar to any attempt to relitigate the same issue.[20]

Petitioners now come to us in this petition for review claiming that (1) the principle of res judicata does not apply; and (2) the dismissal of the complaint was premature as petitioners' motion to archive the case and the grant thereof was based on the condition that there be a final resolution in the Mendoza and Rodrigo cases.[21]

Simply put, the sole issue is whether the present case is barred by this Court's ruling in the Mendoza and Rodrigo cases.

Petitioners contend that res judicata does not apply as there is no identity of parties to begin with. Moreover, they argue that stare decisis is not a hard and fast rule. They insist another review should be taken on the cause of action in this case because the Court of Appeals, in the Mendoza and Rodrigo cases, erred in ruling that the security code determines the real winning crowns. They claim that the trial court's dismissal of their complaint was premature. Lastly, petitioners posit that there was a breached contract between the parties; therefore, respondents should be made to perform their contractual obligation.

For their part, respondents counter that the RTC correctly dismissed petitioners' complaint on the ground of res judicata. Respondents contend that, like the Mendoza and Rodrigo cases, the civil cases filed by petitioners arose from the conduct of respondents' "Number Fever" promotion. Petitioners' causes of action, testimonial and documentary evidence, are the same as those in the Mendoza and Rodrigo cases. Lastly, respondents point out that the findings of fact in the said two cases are also the same, i.e.: (i) Respondents did not breach any contract since the "349" crowns with security code "L-2560-FQ" are not winning crowns; and (ii) Respondents were not negligent in the conduct of their promotion and they exerted efforts to ensure the integrity and smooth conduct of the same.

The instant petition must be denied.

The principle of stare decisis et non quieta movere[22] is entrenched in Article 8 of the Civil Code, to wit:

ART. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal system of the Philippines.

It enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of stare decisis is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.[23]

In the instant case, the legal rights and relations of the parties, the facts, the applicable laws, the causes of action, the issues, and the evidence are exactly the same as those in the decided cases of Mendoza and Rodrigo, *supra*. Hence, nothing is left to be argued. The issue has been settled and this Court's final decision in the said cases must be respected. This Court's hands are now tied by the finality of the said judgments. We have no recourse but to deny the instant petition.

WHEREFORE, the instant petition is hereby DENIED. The assailed Order of the Regional Trial Court of Makati City, Branch 142, in Civil Cases Nos. 94-2414 to 94-2421, is AFFIRMED. Costs against petitioners.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Ynares-Santiago, Carpio, and Azcuna, JJ., concur.

[1] Rollo, pp. 29-30.

[2] Id. at 190.

[3] Id. at 153-168.

[4] Id. at 315.

[5] Id. at 304.

[6] Id. at 306.

[7] Id. at 143-152.

[8] Id. at 289-300.

[9] Id. at 143-152.

[10] Id. at 153-168.

[11] Id. at 190.

[12] Id. at 289-300.

[13] Id. at 301-314.

[14] Id. at 316.

[15] Id. at 317.

[16] Records, Vol. 2, pp. 896-899.

[17] Id. at 909-910.

[18] Id. at 1015-1020.

[19] Rollo, pp. 29-30.

[20] Ibid.

[21] Id. at 11.

[22] To adhere to precedents and not to unsettle things which are established.

[23] *Castillo v. Sandiganbayan*, G.R. No. 138231, 21 February 2002, 377 SCRA 509, 515.

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