

## THIRD DIVISION

[ G.R. No. 199423, March 09, 2020 ]

**SPS. NORBERTO DE GUZMAN AND FELICITAS C. DE GUZMAN,  
PETITIONERS, V. REPUBLIC OF THE PHILIPPINES AND THE TOLL  
REGULATORY BOARD, RESPONDENTS.**

### D E C I S I O N

**CARANDANG, J.:**

This Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court assails the Decision<sup>[2]</sup> dated April 26, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 90392, which affirmed the Order<sup>[3]</sup> of the Regional Trial Court (RTC) of Valenzuela City, Branch 171 dismissing Sps. Norberto De Guzman and Felicitas C. De Guzman's (petitioners) complaint on the ground of forum shopping. Likewise assailed is the Resolution<sup>[4]</sup> dated November 22, 2011, which denied petitioners' Motion for Reconsideration for lack of merit.

#### **Facts of the Case**

This case originated from a Complaint<sup>[5]</sup> for recovery of possession and/or payment of just compensation filed by petitioners against Republic of the Philippines and the Toll Regulatory Board (TRB; collectively respondents) before the RTC of Valenzuela, Branch 171 docketed as Civil Case No. 180-V-06 (recovery of possession).

Records show that Planters Development Bank (Planters Bank) is the registered owner of a parcel of land with an area of 1,238 square meters (sq.m.) and covered by Transfer Certificate of Title (TCT) No. V-71509.<sup>[6]</sup> It was subdivided into three lots: (1) Lot 1047-C-2-D-1 [90 sq.m.]; (2) Lot 1047- C-2-D-2 [185 sq.m.]; and (3) Lot 1047-C-2-D-3 [963 sq.m.].

On November 15, 2004, respondents filed a Complaint<sup>[7]</sup> for expropriation against Planters Bank over Lot 1047-C-2-D-1 before the RTC of Valenzuela City, Branch 75 and docketed as Civil Case No. 264-V-04 (expropriation). The expropriation of the lot is necessary for the construction and/or rehabilitation of toll facilities along the North Luzon Expressway (NLEX) as an integral part of the NLEX Project.

On November 22, 2005, Planters Bank sold the entire property covered by TCT No. V-71509 to petitioners. Petitioners then filed a Complaint In Intervention<sup>[8]</sup> in the expropriation case stating that they are the new owners of the property by virtue of a Deed of Absolute Sale.<sup>[9]</sup> In the same intervention, petitioners alleged that respondents converted another portion of the property consisting of 185 sq.m. (Lot 1047-C-2-D-2) for road widening and sought for the payment of just compensation for said taking.

The RTC granted petitioners' intervention.<sup>[10]</sup>

In their Letter<sup>[11]</sup> dated August 30, 2006, petitioners informed the TRB that they are the new owners of the lot and demanded the payment of P1,572,500.00 as just compensation for Lot 1047-C-2-D-2, which the TRB converted into a road, together with the payment of just compensation for Lot 1047-C-2-D-1. The TRB refused and failed to pay the same. Hence, on September 12, 2006, petitioners filed this Complaint<sup>[12]</sup> for recovery of possession and/or payment of just compensation alleging that they should also be paid just compensation for Lot 1047-C-2-D-2, which was included by respondents for the widening of an existing roadway. In the event that respondents refuse to pay the just compensation for Lot 1047-C-2-D-2, petitioners pray that the lot be reconveyed to them. <sup>[13]</sup>

Respondents filed a Motion to Dismiss<sup>[14]</sup> on the following grounds: (1) the complaint lacks a cause of action; (2) petitioners failed to comply with SC Administrative Circular 04-94 and Rule 7, Section 4 of the Rules on Civil Procedure; and (3) the suit is against the State, which has not given its consent to be sued.<sup>[15]</sup> Respondents averred that in the exercise of the power of eminent domain, the government is only bound to deal with registered owners and that payment of just compensation must be made only to Planters Bank and not to petitioners.<sup>[16]</sup> Also, the complaint was not properly verified and petitioners failed to state in the certification of non-forum shopping that their prayer for payment of just compensation and recovery of possession of Lot 1047-C-2-D-2 had already been raised in the expropriation case.<sup>[17]</sup>

### **Ruling of the Regional Trial Court**

On April 9, 2006, the RTC issued an Order<sup>[18]</sup> dismissing the complaint filed in violation of the rule on non-forum shopping.<sup>[19]</sup> The admission of petitioners that they have intervened in the expropriation proceedings instituted by respondents against Planters Bank concerning the property which is pending before the RTC, Branch 75 (expropriation case) is evidence of forum shopping. The RTC ruled that the expropriation with intervention case and the recovery of possession case have the same parties and there is identity of rights asserted and reliefs prayed for. Petitioners were also seeking to be compensated for the same adjoining lot allegedly belonging to them covered by TCT No. V-71509 in the name of Planters Bank, which is also allegedly covered by the Deed of Sale executed by Planters Bank in favor of petitioners. Further, petitioners would be presenting the same evidence in the expropriation case when they attempt to prove ownership of the property and their entitlement to just compensation.<sup>[20]</sup>

Petitioners moved for reconsideration<sup>[21]</sup> but it was denied in the Order<sup>[22]</sup> dated August 28, 2007 of the RTC.

An appeal was filed by petitioners to the CA.

### **Ruling of the Court of Appeals**

In its Decision<sup>[23]</sup> dated April 26, 2011, the CA affirmed the RTC Order dismissing the complaint on the ground of forum shopping. The CA ruled that there is identity of parties and identity of rights asserted between Civil Case Civil Case No. 264-V-04, the expropriation with intervention case and the case for recovery of possession. The same evidence would sustain both actions, *i.e.*, the Deed of Absolute Sale dated

November 22, 2005, as petitioners attempt to prove ownership of the lots and entitlement to just compensation. The CA ruled that while the expropriation case involves Lot 1047-C-2-D-1 and the case for recovery of possession case refers to Lot 1047-C-2-D-2, it bears stressing that both lots are covered by a single certificate of title - TCT No. V-71509. Thus, a decision in this case for recovery of possession would necessarily affect the case for expropriation with intervention such that if the RTC, Branch 75 decides to grant petitioners' prayer for just compensation or reconveyance, it would preempt the RTC, Branch 171, to act and decide upon the propriety of petitioners' intervention. The CA held that petitioners intended to fast track the proceedings in the expropriation case by filing the instant case, in the hope that once their ownership is established, their entitlement to just compensation for Lot 1047-C-2-D-1 would follow as a matter of course.

Petitioners moved for reconsideration<sup>[24]</sup> but it was denied in Resolution<sup>[25]</sup> dated November 22, 2011.

Hence, this Petition for Review on *Certiorari*<sup>[26]</sup> under Rule 45 filed by petitioners.

### **Issue**

The issue is whether petitioners are guilty of forum shopping in filing this complaint for recovery of possession and/or payment of just compensation after filing a complaint in intervention in the expropriation case.

Petitioners argue that there is no forum shopping in this second case because there is no identity of rights asserted and reliefs prayed for, and the judgment in one case would not amount to *res judicata* in the other case. The 185 sq.m. property in the case for recovery of possession and/or just compensation is entirely different and separate from the 90 sq.m. lot subject of the expropriation case. While petitioners have been asking for just compensation for the 185 sq.m. lot in the expropriation case, this relief is quite impossible to be granted by the RTC since the expropriation case pertains only to the 90 sq.m. property, which is the subject of the expropriation case.

Respondents, on the other hand, claim that petitioners violated the rule against forum shopping. The elements of *litis pendentia* are present: (1) identity of parties; (2) identity of rights asserted and reliefs prayed for; and (c) the judgment in the recovery of possession case would amount to *res judicata* in the expropriation case. Also, respondents posit that the issue of ownership should be litigated in the expropriation court, the latter being empowered to entertain conflicting claims of ownership of the condemned property and adjudge the rightful owner thereof. This is due to the intimate relationship of the issue of ownership with the claim for the expropriation payment.

### **Ruling of the Court**

The petition is meritorious.

Forum shopping is the act of a litigant who repetitively availed of several judicial remedies in different courts, simultaneously or successively, all substantially founded on the same transactions and the same essential facts and circumstances, and all raising substantially the same issues, either pending in or already resolved adversely by some other court, to increase his chances of obtaining a favorable decision if not in one court, then in another.<sup>[27]</sup> Forum shopping is an act of

malpractice that is prohibited and condemned because it trifles with the courts and abuses their processes. It degrades the administration of justice and adds to the already congested court dockets.<sup>[28]</sup>

The test to determine the existence of forum shopping is whether the elements of *litis pendentia* are present, or whether a final judgment in one case amounts to *res judicata* in the other. Thus, there is forum shopping when the following elements are present, namely: (a) identity of parties, or at least such parties represent the same interests in both actions; (b) identity of rights asserted and reliefs prayed for, the relief being founded on the same facts; and (c) the identity of the two preceding particulars, such that any judgment rendered in the other action will, regardless of which party is successful, amounts to *res judicata* in the action under consideration.<sup>[29]</sup>

The elements of *litis pendentia* are not present in the two cases. There is no identity of rights asserted and reliefs prayed for in the expropriation case and the recovery of possession case.

Records show that on December 1, 2005, petitioners filed a Complaint in Intervention in the expropriation case. In filing the Complaint in Intervention, petitioners averred that they have a legal interest in the matter in litigation considering that they are the owners of the subject property by virtue of the Deed of Absolute Sale executed by Planters Bank in their favor.

On September 12, 2006 during the pendency of the expropriation case, petitioners filed the case for recovery of possession and/or payment of just compensation alleging that they are the owners of the 185 sq.m. parcel of land, which had been used by herein respondents in the widening of an existing roadway, and that they should be paid with the corresponding just compensation.

While there exists identity of parties in both cases, there is no identity of rights asserted and reliefs prayed for. Be it noted that petitioners were not originally parties in the expropriation case, they became parties thereto when they filed their Complaint in Intervention, which was granted by the RTC.

The test to determine whether the causes of action are identical is to ascertain whether the same evidence will sustain both actions, or whether there is an identity in the facts essential to the maintenance of the two actions. If the same facts or evidence would sustain both, the two actions are considered the same, and a judgment in the first case is a bar to the subsequent action.<sup>[30]</sup> Among the several tests resorted to in ascertaining whether two suits relate to a single or common cause of action are: (1) whether the same evidence would support and sustain both the first and second causes of action; and (2) whether the defenses in one case may be used to substantiate the complaint in the other. Also fundamental is the test of determining whether the cause of action in the second case existed at the time of the filing of the first complaint.<sup>[31]</sup>

In the expropriation case filed by respondents, the subject matter is the 90 sq.m. property (Lot 1047-C-2-D-1). The expropriation of the lot is necessary for the construction and/or rehabilitation of toll facilities along NLEX. Expropriation is the procedure by which the government takes possession of private property for public use, with payment of just compensation. It is forced taking of private property, the landowner being really without a ghost of a chance to defeat the case of the