

THIRTEENTH DIVISION

[CA-G.R. SP No. 121782, March 19, 2014]

PHILIPPINE NATIONAL BANK, PETITIONER, VS. HON. LITA S. TOLENTINO-GENILO, IN HER CAPACITY AS PRESIDING JUDGE OF BRANCH 91 OF THE REGIONAL TRIAL COURT OF QUEZON CITY, MEDIAN CONTAINER CORPORATION AND ELDON INDUSTRIAL CORPORATION, RESPONDENTS.

D E C I S I O N

YBAÑEZ, J.:

Because public respondent Judge Lita Tolentino-Genilo issued these Resolutions on 14 February 2011^[1] and 29 July 2011^[2] respectively, dismissing its counterclaim without prejudice and denying its motion to implead Spouses Carlos and Fely Ley as parties thereof, petitioner Philippine National Bank (PNB) filed this Petition for Certiorari (with Application for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction)^[3] to reverse and set aside the aforesaid resolutions on the ground that the public respondent judge, in rendering the same, acted with grave abuse of discretion amounting to lack or excess of jurisdiction since it believed that its counterclaim is compulsory and Spouses Carlos and Fely Ley, as officers of Median Container Corporation should be impleaded as parties in the instant case.

The Facts

On 02 November 2010, private respondents Median Container Corporation and Eldon Industrial Corporation filed a Complaint for Reformation of Instrument^[4] before the Regional Trial Court of Quezon City. The same was docketed as Civil Case No. Q10-68210 and raffled to Branch 91 where public respondent is the presiding judge.

In the said complaint, private respondents averred that, in order to finance the purchase of various goods needed for their businesses, they availed of a credit line with the petitioner bank in the amount of Fifty Million Pesos^[5] where a fixed amortization and interest based had to be paid. Instead of the usual promissory notes and other loan documents, PNB purportedly lured them to sign trust receipts which did not reflect their real agreement so as to coerce them as well as their officers to pay whatever billing sent to them under the pain of a criminal prosecution.

In its Answer with Counterclaim,^[6] PNB argued that the instant complaint should be dismissed because the trust receipts reflected their real agreement. It claimed that there was no enticement involved in the execution thereof because the provisions were freely agreed upon and voluntarily executed by both parties. The instant suit is just a ploy on the part of the private respondents to evade their obligations and escape a possible prosecution for estafa as they failed to turn-over the proceeds of

the sale of the goods or return the goods covered by the trust receipts in violation of the Trust Receipts Law. Thus, petitioner bank sought to implead Spouses Carlos and Fely Ley, President and Vice-President/Treasurer of Median Container Corporation in order to hold them severally liable with private respondents and collect also from them the sum of Thirty One Million Fifty Nine Thousand Six Hundred Sixteen and Twenty Nine Centavos (P31,059,616.29).

On 14 February 2011, public respondent Judge Tolentino-Genilo issued the assailed Resolution^[7] ruling that petitioner's counterclaim is permissive because the claims in private respondents' complaint for reformation and petitioner's counterclaim for payment of unpaid obligation are reasonably independent of each other and can be the subject of separate cases without being barred by *res judicata*. She likewise denied the motion to implead spouses Ley since the court has not acquired jurisdiction over the subject matter of permissive counterclaim due to the failure of petitioner to pay the requisite legal fees and/or failure to append the necessary certificate of non-forum shopping.

Aggrieved with the dismissal, petitioner moved for the reconsideration^[8] of the aforesaid resolution which was, however, denied in the Resolution^[9] issued on 29 July 2011.

Hence, petitioner filed the instant petition interposing the following grounds,^[10] to wit:

I.

WITH DUE RESPECT, PUBLIC RESPONDENT JUDGE GENILO ACTED WITHOUT OR IN EXCESS OF HER JURISDICTION OR WITH GRAVE ABUSE OF HER DISCRETION WHEN SHE DENIED PNB'S COUNTERCLAIM AND RULED THAT IT WAS PERMISSIVE THAN COMPULSORY; and

II.

WITH DUE RESPECT, PUBLIC RESPONDENT JUDGE GENILO ACTED WITHOUT OR IN EXCESS OF HER JURISDICTION OR WITH GRAVE ABUSE OF HER DISCRETION WHEN SHE DENIED PNB'S MOTION TO IMPLEAD SPOUSES CARLOS T. LEY AND FELY C. LEY.

The Ruling of this Court

This petition lacks merit.

Anent the first ground, petitioner posited that its counterclaim for unpaid obligations is in the nature of a compulsory counterclaim in the original action of the private respondents against petitioner for reformation of instrument. Private respondents, on the other hand, countered that petitioner's counterclaim is only permissive and its failure to pay the docket fees brought about the dismissal of its claim.