

## SIXTEENTH DIVISION

[ CA-G.R. SP NO. 124483, May 20, 2014 ]

**PHILIPPINE SUGAR RESEARCH INSTITUTE FOUNDATION, INC. (PHILSURIN), PETITIONER, VS. HON. BERNHARD B. BELTRAN, IN HIS CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF NAGA CITY, BRANCH 24, AND PEÑAFRANCIA SUGAR MILL, INC. (PENSUMIL), RESPONDENTS.**

**CORALES, J.:**

This Petition for *Certiorari* and Prohibition<sup>[1]</sup> under Rule 65 of the Rules of Court seeks to annul and set aside the November 14, 2011<sup>[2]</sup> and February 28, 2012<sup>[3]</sup> Orders of the Regional Trial Court, Branch 24, Naga City (RTC Naga City) in Special Civil Case No. 2011-0061 which respectively denied the motion to dismiss filed by petitioner Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN) and its subsequent motion for reconsideration.

### **The Antecedents**

On September 14, 1995, the Sugar Regulatory Administration (SRA) issued Sugar Order No. 2, series of 1995-1996, as extended (Sugar Order No. 2),<sup>[4]</sup> imposing a lien of P2.00 on every LKG-Bag of raw sugar quedan-permit and on any other form of sugar, starting September 11, 1995 until August 31, 2005, in order to fund PHILSURIN.

On March 2, 2004, PHILSURIN lodged a complaint<sup>[5]</sup> for sum of money, docketed as Civil Case No. 04-239 (Makati City Case) and raffled to RTC, Branch 56, Makati City (RTC, Makati City), in order to collect from Peñafrancia Sugar Mill, Inc. (PENSUMIL) the lien imposed by Sugar Order No. 2 amounting to P2,378,338.16. PENSUMIL denied any liability thereto and disputed PHILSURIN's right to collect the lien provided in Sugar Order No. 2.<sup>[6]</sup> It also filed a Demurrer to Evidence<sup>[7]</sup> (demurrer) which was subsequently denied by the RTC, Makati City.

PENSUMIL later on filed before the RTC, Naga City a petition for prohibition and injunction (Naga City case) challenging the constitutionality of Sugar Order No. 2.<sup>[8]</sup> PHILSURIN and SRA were impleaded as respondents in the said case. Both respondents moved for the dismissal of this petition alleging that PENSUMIL committed forum shopping considering that the issues and causes of action in the Naga City case and the concurrently pending Makati City case are similar and the resolution of either would constitute *res judicata* to the other case.<sup>[9]</sup>

On the other hand, PENSUMIL moved for the suspension of the proceedings therein in view of the pendency of the Naga City case.<sup>[10]</sup>

### **The Ruling of the RTC Naga**

In its November 14, 2011 Order,<sup>11</sup> the RTC Naga City denied PHILSURIN and SRA's respective motion to dismiss. The dispositive portion of this Order reads:

**IN THE LIGHT OF THE FOREGOING**, since the circumstances in this case do not fall squarely within the concept of forum-shopping, the motions to dismiss filed by defendants PHILSURIN and SRA are hereby **DENIED**.

Let the hearing concerning the prayer for the issuance of the writ of preliminary injunction be set on December 12, 2011 at 8:30 o'clock in the morning.

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PHILSURIN sought reconsideration<sup>[12]</sup> but the RTC denied the same through its February 28, 2012 Order.<sup>[13]</sup> Hence, this petition anchored on the following grounds:

25.1. THE REGIONAL TRIAL COURT OF NAGA CITY, BRANCH 24, COMMITTED GRAVE ERROR, AS WELL AS ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION, IN CONCLUDING THAT PENSUMIL HAS NOT COMMITTED FORUM SHOPPING.

25.2. THE REGIONAL TRIAL COURT OF NAGA CITY, BRANCH 24, COMMITTED GRAVE ERROR, AS WELL AS ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION, IN FINDING THAT THERE IS NO IDENTITY OF PARTIES IN THE NAGA CASE AND THE MAKATI CASE.

25.3. THE REGIONAL TRIAL COURT OF NAGA CITY, BRANCH 24, COMMITTED GRAVE ERROR, AS WELL AS ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION, IN FINDING THAT NEITHER IS THERE IDENTITY OF ISSUES OR RELIEFS PRAYED FOR IN THE NAGA CASE AND THE MAKATI CASE.

PHILSURIN reiterates its argument as to the existence of forum shopping and claims that the validity of Sugar Order No. 2 has been raised by PENSUMIL as a counterclaim in the Makati City case yet it still filed the Naga City case which also challenged the legality of said order. It insists that there is an identity of parties between the Naga City and Makati City cases despite the inclusion of SRA as respondent in the Naga City case considering that these two (2) respondents share a community of interests in upholding Sugar Order No. 2.<sup>[14]</sup>

For its part, PENSUMIL contends that in its pleadings in the Makati City case, it has not specifically prayed for the invalidation of Sugar Order No. 2. It allegedly filed the Naga City case to directly attack the legality of Sugar Order No. 2 which could not be properly made in the Makati City case. It also argues that the parties involved, the rights asserted, and the reliefs sought in the two cases are different from each other and the issues raised therein, while possibly related, are still distinct, so that a decision in either case would not constitute *res judicata* in the other.<sup>[15]</sup>

On November 20, 2012, We already denied PHILSURIN's application for issuance of temporary restraining order and/or writ of preliminary injunction.<sup>[16]</sup>