

## SECOND DIVISION

[ G.R. No. 186657, June 11, 2014 ]

**DOMINGA B. QUITO, PETITIONER, VS. STOP & SAVE CORPORATION, AS REPRESENTED BY GREGORY DAVID DICKENSON, AS ITS CHAIRMAN, AND JULIETA BUAN-DICKENSON, AS ITS PRESIDENT, ROBERTO BUAN, HENRY CO, ANGELINA LUMOTAN, RODEL PINEDA AND ROSE CALMA, RESPONDENTS.**

### DECISION

**BRION, J.:**

We review in this petition for review on *certiorari*<sup>[1]</sup> the decision<sup>[2]</sup> dated June 30, 2008 and the resolution<sup>[3]</sup> dated February 16, 2009 of the Court of Appeals (CA) in CA-G.R. SP No. 101774. The CA dismissed for lack of merit the petition for review filed by petitioner Dominga B. Quito on the decision dated April 22, 2007<sup>[4]</sup> of the Regional Trial Court (RTC), Branch 66, Capas, Tarlac, which set aside, on the ground of *litis pendentia*, the decision<sup>[5]</sup> dated September 1, 2006 of the Municipal Circuit Trial Court (MCTC) of Capas-Bamban-Concepcion, Capas, Tarlac, in the unlawful detainer case filed by Dominga against respondent Stop & Save Corporation (*Stop & Save*).

#### **Factual Antecedents**

On March 11, 2005, Dominga filed before the MCTC a complaint for unlawful detainer<sup>[6]</sup> against Stop & Save and its sub-lessees/co-respondents Roberto Buan, Henry Co, Angelina Lumotan, Rodel Pineda and Rose Calma. She alleged that Stop & Save failed to pay the agreed monthly rentals since June 2003 and, despite repeated verbal and written demands, refused to pay and vacate the leased building, in violation of their April 4, 2002 Lease Agreement.

In its answer to the complaint, Stop & Save denied that it committed a violation of the lease contract, but merely *suspended* its payment of rent because of Dominga's failure to comply with their subsequent agreement dated November 15, 2003; they had agreed that rent payments for the months of June, July, August, September and October 2003 shall be deferred and paid on or before January 15, 2004 - the deadline given to Dominga to complete the necessary repairs on the 2nd floor of the leased building. Stop & Save anchored its right to suspend rental payments on Article 1658 of the Civil Code, which provides that "[t]he lessee may suspend the payment of the rent in case the lessor fails to make the necessary repairs or to maintain the lessee in peaceful and adequate enjoyment of the property leased."

In a decision<sup>[7]</sup> dated September 1, 2006, the MCTC disposed of the unlawful detainer case in this wise:

WHEREFORE, judgment is hereby rendered ordering:

a. The plaintiff to respect the defendant corporation's right to peaceful and adequate possession and enjoyment of the subject premises in accordance with the Contract of Lease dated April 4, 2003 (sic), unless the same be subsequently annulled, reformed or rescinded.

b. The defendant corporation and all persons acting in its behalf to pay the plaintiff all the rentals in arrears as of January 31, 2006, amounting to **One Million Seven Hundred Ninety Thousand Pesos (P1,790,000.00)** and the succeeding rent until fully paid computed on the basis of the stipulated amount of Fifty Thousand Pesos (P50,000.00) per month, with ten percent (10%) increase per annum starting April 1, 2003, without prejudice to the right of the defendant to reimbursement for the amount incurred in effecting necessary repairs of the leased premises as may be determined by the competent court.<sup>[8]</sup>

On appeal, the RTC set aside the MCTC's decision and ordered the dismissal of Dominga's unlawful detainer complaint due to the pending case for annulment of lease contract filed by Stop & Save with the same RTC, docketed as Civil Case No. 695. It appeared that Stop & Save had earlier filed, on January 13, 2005, a case to annul its April 4, 2002 Lease Agreement with Dominga allegedly due to her misrepresentations on the leased building's condition and ownership; that some parts of the building were condemned and required major repairs, and that the building was not owned exclusively by Dominga. Stop & Save claimed that it tried to negotiate for a reduction in the monthly rentals but Dominga refused to renegotiate and, instead, filed the subject complaint for unlawful detainer against the respondents.

Dominga filed a petition for review with the CA upon the denial of her motion for reconsideration with the RTC.

In its June 30, 2008 decision, the CA dismissed Dominga's petition for review for lack of merit, which, in effect, affirmed the RTC's decision dismissing Dominga's unlawful detainer complaint. It ruled that the RTC correctly abated the unlawful detainer case because Stop & Save's annulment case was filed first in time and was the more appropriate vehicle in litigating the issues between the parties, *since both their claims were anchored on the same lease contract*.<sup>[9]</sup>

Dominga moved to reconsider the CA's decision, but the CA denied her motion in a resolution<sup>[10]</sup> dated February 16, 2009; hence, the filing of the present petition for review on *certiorari* raising the main issue of whether the CA correctly dismissed the subject unlawful detainer case on the ground of *litis pendentia*.

### **Our Ruling**

**We GRANT the petition. We find that *litis pendentia* as a ground for the dismissal of a civil action does not apply in the present case.**

*Litis pendentia* refers to the situation where another action is pending between the same parties for the same cause of action so that one of these actions is