

## THIRD DIVISION

[ G.R. No. 150470, August 06, 2008 ]

**SPOUSES FELIPE AND VICTORIA LAYOS, PETITIONERS, VS. FIL-ESTATE GOLF AND DEVELOPMENT, INC., LA PAZ HOUSING AND DEVELOPMENT CORPORATION, REPUBLIC OF THE PHILIPPINES, AND THE SPOUSES MARINA AND GENEROSO OTIC, RESPONDENTS.**

### D E C I S I O N

**CHICO-NAZARIO, J.:**

Before this Court is a Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court filed by petitioner-spouses Felipe and Victoria Layos (Spouses Layos) seeking the reversal and setting aside of the Decision<sup>[2]</sup> dated 26 April 2001 of the Court of Appeals in CA-G.R. CV No. 61759, which affirmed the Order<sup>[3]</sup> dated 19 January 1998 of the Regional Trial Court (RTC), Branch 93 of San Pedro, Laguna, summarily dismissing the spouses Layos' Petition for Reconstitution of Original Certificate of Title (OCT) No. 239 in LRC Case No. B-1784. Likewise being assailed in the Petition at bar is the Resolution<sup>[4]</sup> dated 18 October 2001 of the appellate court denying the Spouses Layos' Motion for Reconsideration of its earlier Decision.

The factual and procedural antecedents of the case presently before this Court, by themselves, appear deceptively simple. However, they are so intimately linked with other cases the factual backgrounds and judicial resolutions of which the Court must also necessarily present herein.

#### I

#### FACTUAL BACKGROUND

**G.R. No. 120958:**

#### ***The Injunction Cases***

The Court begins with *Fil-Estate Golf and Development, Inc. v. Court of Appeals*,<sup>[5]</sup> a case which it decided more than a decade ago. The said case arose from the following facts:

Petitioner Fil-Estate Golf & Development, Inc. (FEGDI) is the developer of the Manila Southwoods golf course and residential subdivision project which partly covers lands located in Biñan, Laguna. Its partner in the joint venture, La Paz Housing and Development Corporation (La Paz), provided the aforementioned properties which are registered in its name. The project involves the "construction and development of, among others, a highway interchange linking nearby communities to the South Expressway and world class tourism-generating cultural theme and water

parks."

On 29 December 1992, a certain Felipe Layos filed a complaint for Injunction and Damages with Application for Preliminary Injunction against Fil-Estate Realty Corporation, (FERC) et al. with the Regional Trial Court of Biñan, Laguna and docketed as Civil Case No. B-3973.

It was alleged in the said complaint that Felipe Layos is the legal owner and possessor of two (2) parcels of land having a total area of 837,695 square meters located at Barrio Tubigan, Biñan, Laguna, known as Lots 1 & 2 of Plan Psu-201 of the Bureau of Lands having acquired the same from his father, Mauricio Layos, who in turn inherited said properties from his own father, Natalio Layos, allegedly the original owner thereof. Layos claimed that the Southwoods project encroached upon the aforesaid lands and thus contended that his rights of ownership and possession were violated when FERC brought in men and equipment to begin development of the said properties.

On 2 February 1993, FERC filed an Opposition to Application for Writ of Preliminary Injunction and explicitly stated therein that the developer of the Southwoods project is its sister company, FEGDI.

On 5 March 1993, FEGDI filed an Answer to the abovementioned complaint and reiterated that it is the developer of the Southwoods project and not FERC and that the land covered by the project is covered by Transfer Certificates of Title in the name of La Paz, copies of which were attached to said answer as annexes.

On 29 March 1993, Presiding Judge Justo M. Sultan of the Regional Trial Court of Biñan, Laguna issued an order denying the prayer for preliminary injunction in Civil Case No. B-3973 in view of the inability of Layos to substantiate his right. Neither he nor his counsel appeared on the scheduled hearings. x x x

x x x x

On 25 June 1993, Felipe Layos along with his wife and other individuals filed another case for Injunction and Damages with Prayer for Preliminary Injunction with the Regional Trial Court of San Pedro, Laguna docketed as Civil Case No. B-4133, this time against the correct party, FEGDI.

The complaint in the San Pedro case (Civil Case No. B-4133) is basically identical to that filed in the Biñan case (Civil Case No. B3973), except for changes in the number of party-plaintiffs and party-defendants and in the area size of the claimed landholdings. Further, in the San Pedro case there is reference to a title (OCT No. 239), a specific date of intrusion and an increase in the damages prayed for.

On 1 July 1993, FEGDI moved to dismiss the San Pedro case on grounds of *litis pendentia*, forum-shopping, lack of cause of action and lack of jurisdiction. FEGDI argued that a similar complaint was previously filed with the Regional Trial Court of Biñan, Laguna and is currently pending

therein. It, likewise, accused the private respondents of forum-shopping, stating that the latter instituted the San Pedro case after their application for preliminary injunction was denied by the Biñan court. Anent the third and fourth grounds, FEGDI averred that the documents relied upon by the private respondents are of doubtful veracity and that they failed to pay the correct filing fees considering that the San Pedro case is a real action as allegedly revealed in the body of the complaint. The Layoses filed their opposition on 5 July 1993 arguing in the main that there is no *litis pendentia* because there is no identity of parties. Felipe Layos claimed that he never authorized the filing of the Biñan case and that the defendant therein is the Fil-Estate Realty Corporation not the Fil-Estate Golf & Development, Inc. Consequently, the two cases being dissimilar, there can be no forum-shopping. Private respondents contended, likewise, that they have satisfied all the requirements of a valid cause of action and insisted that the suit is not for recovery of possession but is a personal action for injunction and damages. On 12 July 1993, Judge Stella Cabuco-Andres of the San Pedro Regional Trial Court issued an order denying FEGDI's motion to dismiss. The Motion for Reconsideration filed by FEGDI on 13 July 1993 was similarly denied by the aforesaid court in an order dated 14 July 1993.

On 15 July 1993, FEGDI filed a Petition for Certiorari and Prohibition with Application for Preliminary Injunction with the Court of Appeals (docketed as CA-G.R. SP No. 31507) assailing the denial of its motion to dismiss the San Pedro case. The arguments and issues raised by petitioner to support its motion to dismiss were the same issues raised in the aforestated petition.

On 20 July 1993, the Court of Appeals issued a temporary restraining order enjoining Judge Andres from proceeding with the San Pedro case.

Meanwhile, the Regional Trial Court of Biñan, Laguna, in an order dated 25 January 1994, dismissed the Biñan case without prejudice on grounds of forum-shopping. FEGDI moved for a partial reconsideration of the said order praying that the dismissal be with prejudice. Hence, on 25 April 1994, the aforestated court dismissed the Biñan case with prejudice to forestall the plaintiffs therein from forum-shopping. x x x.

x x x x

On 10 March 1995, the Court of Appeals, dismissed FEGDI's petition for lack of merit. x x x.

FEGDI's motion for reconsideration was subsequently denied in the Court of Appeals' resolution dated 13 July 1995. Hence, this petition for review.

[6]

FEGDI came to this Court via a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, docketed as G.R. No. 120958. The Court granted the Petition and ruled in favor of FEGDI.

The Court found that therein private respondents, which included the Spouses

Layos, did commit forum shopping by instituting similar proceedings for injunction before the RTCs of Biñan and San Pedro, Laguna:

Private respondents have indeed resorted to forum-shopping in order to obtain a favorable decision. The familiar pattern (of one party's practice of deliberately seeking out a "sympathetic" court) is undisputedly revealed by the fact that after Felipe Layos instituted in 1992 a case for injunction and damages with application for preliminary injunction in the Regional Trial Court of Biñan, Laguna and after his prayer for a preliminary injunction was denied in March 1993, he and his wife, together with four (4) alleged buyers of portions of the land claimed by him, filed an identical complaint for injunction and damages with preliminary injunction a few months later, or in June 1993, this time with the Regional Trial Court of San Pedro, Laguna.

Having been denied their temporary restraining order in one court, private respondents immediately instituted the same action in another tribunal - a deliberate tactic to seek out a different court which may grant their application for preliminary injunction, or at least give them another chance to obtain one.

Private respondents parry petitioner's allegation of forum shopping by adamantly contending that Felipe Layos did not, in any manner, authorize the filing of the Biñan case. Moreover, they insist that Felipe Layos' signature in the Biñan complaint is a forgery and that he neither appeared nor participated in the proceedings before the Biñan court.

We find no merit in private respondents' assertions. The almost word-for-word similarity of the complaints in both the Biñan and San Pedro cases totally refutes such a theory, as can readily be observed from a comparative view of the two aforementioned complaints x x x.

x x x x

Even the affidavits attached to the two complaints are virtually identical x x

x x x x

Examining the two complaints one can easily discern that the San Pedro complaint is simply an "improved" version of the Biñan complaint and the similarity does not end there. The residence certificates (of Felipe Layos) used in the verification of both complaints are practically identical - same number, date of issue and place of issue.

If indeed there is a "ghost Mr. Layos," as claimed by the private respondents, the genuine Felipe Layos and the rest of the private respondents should have, on their own volition, denounced the allegedly bogus case filed with the Biñan court or at the very least, informed the San Pedro court about it. It cannot be denied that private respondents were aware of the Biñan case considering that Annex C (Affidavit of Self-Adjudication with Sale) of the San Pedro complaint was a mere

photocopy of Annex B of the Biñan complaint.

Private respondents likewise aver that there is no identity of party-defendants in view of the fact that the defendant in the Biñan case is the Fil-Estate Realty Corporation (FERC) and in the San Pedro case the Fil-Estate Golf and Development, Inc. (FEGDI), two completely separate and distinct entities.

Private respondents' contention is unmeritorious. In the Biñan case, FEGDI voluntarily submitted to the court's jurisdiction by filing its answer and expressly stating therein that it is the developer of Southwoods, and not its sister company, FERC. Moreover, the Biñan court in its orders dated 25 January 1994 and 20 October 1994 expressly recognized FEGDI as the defendant in the said case. There can be no question then that in both cases FEGDI is the true party-defendant.

As clearly demonstrated above, the willful attempt by private respondents to obtain a preliminary injunction in another court after it failed to acquire the same from the original court constitutes grave abuse of the judicial process. Such disrespect is penalized by the summary dismissal of both actions as mandated by paragraph 17 of the Interim Rules and Guidelines issued by this Court on 11 January 1983 and Supreme Court Circular No. 28-91. x x x

x x x x

The rule against forum-shopping is further strengthened by the issuance of Supreme Court Administrative Circular No. 04-94. Said circular formally established the rule that the deliberate filing of multiple complaints to obtain favorable action constitutes forum-shopping and shall be a ground for summary dismissal thereof x x x.<sup>[7]</sup>

The Court further pronounced that the Complaint in the San Pedro case did not state a cause of action. Taking into consideration the Complaint itself and its attached annexes, as well as the other pleadings submitted by the parties, the Court found that:

In the San Pedro complaint, private respondents anchored their claim of ownership on an OCT No. 239 and on a survey plan Psu-201 in the name of Natalio Layos, copies of which were attached to the complaint. His son and sole heir Mauricio Layos inherited the properties covered by the said plan. In turn, Felipe Layos became the owner thereof through an Affidavit of Self-Adjudication with Sale executed by Mauricio Layos, his father. This is where the inconsistency materializes. In the said Affidavit of Self-Adjudication with Sale which was also attached to the San Pedro complaint as Annex "C", Mauricio Layos categorically stated that the subject properties (Lots No. 1 and 2 of Plan PSU-201) were not registered under the *Spanish Mortgage Law or under the Property Registration Decree*. If the properties in question were not registered, where did the OCT No. 239 come from? Mauricio Layos' express admission not only contradicts but indubitably strikes down the purported OCT No. 239 and exposes private respondents' claim as a sham. This