

THIRD DIVISION

[G.R. No. 146980, September 02, 2003]

**LUZ E. TAGANAS AND VALENTIN G. TABBAL, PETITIONERS, VS.
HON. MELITON G. EMUSLAN AND STANDARD INSURANCE CO.,
INC., RESPONDENTS.**

DECISION

CORONA, J.:

At bar is a Petition for Review on Certiorari filed by petitioners assailing the September 12, 2000 Decision^[1] of the Court of Appeals upholding the twin orders^[2] issued by the Regional Trial Court of Urdaneta City, Pangasinan, Branch 47. The first order denied petitioners' motion to dismiss, while the second denied their subsequent motion for reconsideration.

The antecedents follow.

On July 11, 1997, a road accident involving four vehicles occurred along the national highway in Barangay San Jose, San Joaquin Sur, Agoo, La Union.

The vehicles involved were a "Jack and Yolly" minibus, an Isuzu Elf van owned by Josalde and Zenaida Junto, a Petron tanker truck owned and operated by petitioner Luz Taganas and a Shell tanker truck.

According to the records, the minibus, the Juntos' Isuzu Elf van and the petitioner's Petron tanker truck were traveling in that order on one side of the road. Going the opposite direction on the other side of the road was the Shell tanker truck. The Isuzu Elf tried to overtake the minibus but collided head-on instead with the Shell tanker truck, after which it swerved back to its lane, this time bumping the rear of the minibus. The Petron tanker truck at the end of the column was not able to stop and in turn rammed the rear of the Isuzu Elf van.

The owners of the Elf van, the Juntos, filed a complaint for damages against petitioners Luz Taganas and Valentin Tabbal, the owner and driver respectively of the Petron tanker truck. The case was docketed as Civil Case No. 97-02055-D.

On the other hand, private respondent, Standard Insurance Co., Inc, insurer of the Shell tanker truck, filed a separate complaint for damages against both the Juntos and petitioners Taganas and Tabbal, docketed as Civil Case No. 6754.

On March 10, 1999, petitioners filed a motion to dismiss Civil Case No. 6754 on the grounds of prematurity of action and multiplicity of suits.

On April 5, 1999, Civil Case No. 97-02055-D was decided holding the owners of the Isuzu Elf van (the Juntos) liable for the damage sustained by petitioner Taganas'

Petron tanker truck.

On April 26, 1999, the trial court, in Civil Case No. 6754, denied petitioners' motion to dismiss.

On May 10, 1999 petitioners filed a "Second Motion to Dismiss," this time invoking *res judicata*. In addition to said motion, petitioners likewise moved for the dismissal of the Juntos' cross-claim against them.

On August 5, 1999, the trial court, in its first assailed order, granted the motion to dismiss the cross-claim but denied the second motion to dismiss. The pertinent portion read:

x x x . A perusal of the Decision rendered by the RTC in Dagupan City would disclose that all the first three requisites or conditions of *res judicata* are present. It is the final condition requiring identity of parties, of subject matter and causes of action that there is no coincidence.

Plaintiff insurance company was never a party in the case before the RTC of Dagupan City. Its cause of action is legal subrogation to the rights of the insured, whose vehicle was damaged in the vehicular accident involving the vehicles of the defendants. Neither was the insured involved in the litigation before the Dagupan City RTC so as to bar the plaintiff insurer, who merely stepped into the shoes of the insured party, so to speak.

On the basis also of the principle of *res inter alios acta*, the proceedings before the RTC of Dagupan City cannot affect the rights of those not parties thereto.

The Court, however, finds justification and merit in movants' MOTION TO DISMISS CROSS CLAIM. It is in respect to the cross-claim of defendants ZENAIDA JUNTO and JOSALDE JUNTO against the other defendants TAGANAS and TABBAL that the doctrine of *res judicata* perfectly applies to bar their cross-claim. To allow the cross-claim to prosper would relitigate the same issue that has already been finally decided. It would not put to an end the litigation of the same parties before the Dagupan City RTC. The doctrine of *res judicata*, in fact is founded on the public policy that it is the interest of the State that there should be an end to litigation and that a party should not be vexed twice for the same cause (*LINZAG vs. CA, Ibid*).

WHEREFORE, premises considered, the Court rules:

1. The SECOND MOTION TO DISMISS filed by defendants LUZ TAGANAS and VALENTIN TABBAL is DENIED for lack of merit.
2. The MOTION TO DISMISS the CROSS-CLAIM of defendants JUNTO is GRANTED on the ground of *res judicata*.^[3]

On August 30, 1999, petitioners filed a partial motion for reconsideration but the same was denied in the second assailed order dated September 13, 1999.