

THIRD DIVISION

[G.R. No. 138137, March 08, 2001]

**PERLA S. ZULUETA, PETITIONER, VS. ASIA BREWERY, INC.,
RESPONDENT.**

D E C I S I O N

PANGANIBAN, J.:

When two or more cases involve the same parties and affect closely related subject matters, they must be consolidated and jointly tried, in order to serve the best interests of the parties and to settle expeditiously the issues involved. Consolidation, when appropriate, also contributes to the declogging of court dockets.

The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, questioning the August 4, 1998 Decision^[1] of the Court of Appeals (CA) in CA-GR SP No. 45020; as well as the February 23, 1999 Resolution^[2] denying petitioner's Motion for Reconsideration. The decretal portion of the CA Decision reads as follows:

"WHEREFORE, the instant petition is given due course. The assailed orders of the Regional Trial Court, Makati City, Branch 142 dated 13 February 1997 and 19 May 1997 are hereby ANNULLED and SET ASIDE.

SO ORDERED."

The Facts

Respondent Asia Brewery, Inc., is engaged in the manufacture, the distribution and sale of beer; while Petitioner Perla Zulueta is a dealer and an operator of an outlet selling the former's beer products. A Dealership Agreement governed their contractual relations.

On March 30, 1992, petitioner filed before the Regional Trial Court (RTC) of Iloilo, Branch 22, a Complaint against respondent for Breach of Contract, Specific Performance and Damages. The Complaint, docketed as Civil Case No. 20341 (hereafter referred to as the "Iloilo case"), was grounded on the alleged violation of the Dealership Agreement.

On July 7, 1994, during the pendency of the Iloilo case, respondent filed with the Makati Regional Trial Court, Branch 66, a Complaint docketed as Civil Case No. 94-2110 (hereafter referred to as the "Makati case"). The Complaint was for the collection of a sum of money in the amount of P463,107.75 representing the value of beer products, which respondent had delivered to petitioner.

In view of the pendency of the Iloilo case, petitioner moved to dismiss the Makati case on the ground that it had split the cause of action and violated the rule against the multiplicity of suits. The Motion was denied by the Makati RTC through Judge Eriberto U. Rosario.

Upon petitioner's Motion, however, Judge Rosario inhibited himself. The case was raffled again and thereafter assigned to Branch 142 of the Makati RTC, presided by Judge Jose Parentala Jr.

On January 3, 1997, petitioner moved for the consolidation of the Makati case with the Iloilo case. Granting the Motion, Judge Parentala ordered on February 13, 1997, the consolidation of the two cases. Respondent filed a Motion for Reconsideration, which was denied in an Order dated May 19, 1997.

On August 18, 1997, respondent filed before the Court of Appeals a Petition for Certiorari assailing Judge Parentala's February 13, 1997 and May 19, 1997 Orders.

Ruling of the Court of Appeals

Setting aside the trial court's assailed Orders which consolidated the Iloilo and the Makati cases, the CA ruled in this wise:

"There is no common issue of law or fact between the two cases. The issue in Civil Case No. 94-2110 is private respondent's indebtedness for unpaid beer products; while in Civil Case No. 20341, it is whether or not petitioner (therein defendant) breached its dealership contract with private respondent.

"Private respondent in her complaint aforequoted attempts to project a commonality between the two civil cases, but it cannot be denied that her obligation to pay for the beer deliveries can exist regardless of any "stop payment" order she made with regard to the checks. Thus, the rationale for consolidation, which is to avoid the possibility of conflicting decisions being rendered, (Active Wood products, Co. vs. Court of Appeals, 181 SCRA 774, Benguet Corporation, Inc. vs. Court of Appeals, 165 SCRA 27; Vallacar Transit, Inc. vs. Yap, 126 SCRA 503) does not exist."^[3]

Hence, this Petition.^[4]

The Issues

In her Memorandum,^[5] petitioner interposes the following issues for the consideration of this Court:

"a. Were the Orders of February 13, 1997 and May 19, 1997 of the Regional Trial Court, Branch 142 in Makati City (ordering consolidation of Makati Civil Case No. 94-2110 with the Iloilo Civil Case No. 20341) already final and executory when respondent filed its petition for certiorari with the Hon. Court of Appeals such that said Court could no longer acquire jurisdiction over the case and should have dismissed it outright (as it originally did) x x x, instead of due giving course to the

petition?; and

"b. Independent of the first issue, did the Makati RTC, Branch 142, correctly order the consolidation of the Makati case (which was filed later) with the Iloilo Case (which was filed earlier) for the reason that the obligation sought to be collected in the Makati case is the same obligation that is also one of the subject matters of the Iloilo case, x x x?"^[6]

The Court's Ruling

The Petition is meritorious.

First Issue

Propriety of Petition with the CA

Petitioner avers that the Makati RTC's February 13, 1997 and May 19, 1997 Orders consolidating the two cases could no longer be assailed. Allegedly, respondent's Petition for Certiorari was filed with the CA beyond the reglementary sixty-day period prescribed in the 1997 Revised Rules of Civil Procedure, which took effect on July 1, 1997. Hence, the CA should have dismissed it outright.

The records show that respondent received on May 23, 1997, the Order denying its Motion for Reconsideration. It had, according to petitioner, only sixty days or until July 22, 1997, within which to file the Petition for Certiorari. It did so, however, only on August 21, 1997.

On the other hand, respondent insists that its Petition was filed on time, because the reglementary period before the effectivity of the 1997 Rules was ninety days. It theorizes that the sixty-day period under the 1997 Rules does not apply.

As a general rule, laws have no retroactive effect. But there are certain recognized exceptions, such as when they are remedial or procedural in nature. This Court explained this exception in the following language:

"It is true that under the Civil Code of the Philippines, '(l)aws shall have no retroactive effect, unless the contrary is provided.' *But there are settled exceptions to this general rule*, such as when the statute is CURATIVE or REMEDIAL in nature or when it CREATES NEW RIGHTS.

x x x x x x x x

"On the other hand, *remedial or procedural laws*, i.e., those statutes relating to remedies or modes of procedure, which do not create new or take away vested rights, but only operate in furtherance of the remedy or confirmation of such rights, ordinarily *do not come within the legal meaning of a retrospective law, nor within the general rule against the retrospective operation of statutes.*"^[7] (emphasis supplied)

Thus, procedural laws may operate retroactively as to pending proceedings even without express provision to that effect.^[8] Accordingly, rules of procedure can apply to cases pending at the time of their enactment.^[9] In fact, statutes regulating the procedure of the courts will be applied on actions undetermined at the time of their