

TWELFTH DIVISION

[CA-G.R. SP. No. 111305, April 07, 2014]

**SOCORRO ROMAN REPRESENTED BY DENNIS MATEO,
PETITIONER, V. MANOTOK SERVICES, INC., RESPONDENT.**

DECISION

ELBINIAS, J.:

Addressed here is a Petition for Review^[1] filed under Rule 42 of the Rules of Court. The Petition assails the Decision^[2] dated June 3, 2009 of the Regional Trial Court ("RTC" for brevity) of Manila, Branch 28 in Civil Case No. 09-120829, which set aside the Decision^[3] dated December 19, 2008 of the Metropolitan Trial Court ("MeTC" for brevity) of Manila, Branch 28, in Civil Case No. 184492-CV for "EJECTMENT"^[4].

The salient facts are those as stated in the RTC's Decision^[5] dated June 3, 2009, to wit:

"xxx The Complaint alleged: **on 23 March 1998, plaintiff (*respondent here*) leased to defendant (*petitioner here*) a parcel of land identified as Lot 11, Block 15, Juan Luna St.[,] Tondo, Manila, with an area of 105 square meters (*subject property here*) xxx, as evidenced by Contract of Lease xxx; under the Contract of Lease, the term is one year, from 1 January 1998 to 31 December 1998, monthly rental is P1,208.55 (due on or before the 5th day of each month, without the necessity of demand, subject to increase within limits allowed by law even before the expiration of the term of the Contract); **defendant (*petitioner*) forthwith took possession of the subject premises; even after the Contract of Lease expired on 31 December 1998, the defendant (*petitioner*) continued to be in possession of the subject premises, and the plaintiff (*respondent*) acquiesced thereto even without the execution of a written lease contract, upon the agreement that defendant (*petitioner*) shall pay rent 'based on the amount of rent imposed by the plaintiff (*respondent*) on the lessees within the same area'**; in a letter dated 13 June 2007 xxx, **the plaintiff (*respondent*) informed the defendant (*petitioner*) of the expiration of the Contract of Lease on 31 December 1998, and made a demand to vacate the subject premises and pay the sum of P391,719.05 (representing compensation for actual use of the leased premises), within 15 days from receipt of the letter, and to pay P3,545.50 per month beginning 1 June 2007, until she (*petitioner*) vacates the subject premises;** this letter was sent to, and received by the defendant-appellant (sic) (*petitioner*) on 27 June 2007, as evidenced by Registry**

Return Receipt xxx; **the defendant (petitioner) failed to heed the demand** xxx."^[6] (*Emphasis Supplied*)

Due to the failure of petitioner Socorro Roman ("petitioner" for brevity) to vacate the parcel of land located at Lot 11, Block 15, Juan Luna St., Tondo, Manila ("subject property" for brevity) despite demand^[7] by respondent Manotok Services, Inc., ("respondent" for brevity), the latter filed before the MeTC, a Complaint^[8] for "Ejectment" ("Complaint below" for brevity) against petitioner.

Instead of filing an Answer, petitioner filed a "MOTION TO DISMISS"^[9] on ground of *res judicata* on ground that respondent had previously filed before the MeTC of Manila, Branch 15^[10] ("MeTC Br. 15" for brevity), a Complaint^[11] for "Ejectment" ("previous Complaint" for brevity) against petitioner, which was docketed as Civil Case No. 179975-CV ("Civil Case No. 177975-CV" for brevity), which case involved the same property. Respondent's previous Complaint^[12] however, was dismissed by respondent court in a Decision^[13] dated September 2, 2005. Petitioner's "MOTION TO DISMISS"^[14] in turn, was treated by the MeTC as petitioner's Answer to respondent's Complaint^[15] below, on the reasoning that "a motion to dismiss is a prohibited pleading under the Rules on Summary Procedure"^[16].

The rest of the facts are continued in the RTC's Decision^[17] dated June 3, 2009, as follows:

"The Motion To Dismiss alleged; the plaintiff (*respondent*) previously sued the defendant (*petitioner*) before the Metropolitan Trial Court, Branch 15, Manila, as evidenced by a copy of the Complaint in Civil Case No. 179975[-]CV entitled *Manotok Services Inc. v. Socorro Roman xxx; the Complaint in Civil Case No. 179975[-]CV was dismissed 'for lack of preponderance of evidence'*, via Decision dated 2 September 2005 xxx; since no appeal was made by the plaintiff (*respondent*) in Civil Case No. 179975[-]CV, the Decision therein became final; there is *res judicata* as between Civil Case No. 179975[-]CV and Civil Case No. 184492[-]CV; plaintiff (*respondent*) in this case comes to Court with the same allegations, as that in Civil Case No. 179975[-]CV (except that in Civil Case No. 184492[-]CV, the amount of rent alleged is increased); there is a new demand letter in Civil Case No. 184492[-]CV, separate from the demand letter in Civil Case No. 179975[-]CV; this is a case for *accion publiciana* since there is no landlordtenant relationship between plaintiff (*respondent*) and defendant (*petitioner*), as defendant (*petitioner*) has been in actual possession of the premises in question for more than 50 years, and has not paid any rent; being a case for *accion publiciana*, it is the RTC which has jurisdiction."^[18] (*Italics was made in the original; emphasis supplied*)

On December 19, 2008, the MeTC rendered a Decision^[19] dismissing respondent's Complaint^[20] below against petitioner "for being barred by a prior action"^[21].

Upon respondent's appeal^[22], the RTC rendered the assailed Decision^[23] of June 3, 2009, which set aside the MeTC's Decision^[24] of December 19, 2008, and which

remanded the records of the case to the MeTC. The dispositive portion of the RTC's Decision^[25] read as follows:

"WHEREFORE, the appeal is GRANTED. The rule on *res judicata* not being applicable as between Civil Case No. 179975[-]CV and Civil Case No. 184492[-]CV, the Decision of the Metropolitan Trial Court, Branch 28, Manila in Civil Case No. 184492[-]CV is SET ASIDE. The Branch Clerk of Court of this Court is directed to transmit the Record of this case to the Office of the Clerk of Court, Regional Trial Court of Manila, for remand of the same to the Metropolitan Trial Court, Branch 28, Manila, for the conduct of further proceedings.

SO ORDERED. xxx"^[26] (*Italics was made in the original*)

After petitioner's Motion for Reconsideration^[27] was denied by respondent court in its Order^[28] of October 8, 2009, petitioner filed the Petition for Review^[29] at bench, praying for the following:

"**WHEREFORE**, premises considered, it is respectfully prayed that the instant Decision be granted, the Decision dated June 3, 2009 be reversed and set aside, and the judgment of the Metropolitan Trial Court be **AFFIRMED**.

Such other reliefs."^[30] (*Emphasis Supplied*)

Petitioner raised this sole issue:

"WHETHER OR NOT THE PREVIOUS JUDGMENT OR ORDER WAS NOT ON THE MERITS FOR FAILURE OF THE RESPONDENT-PLAINTIFF TO SUBMIT ITS POSITION PAPER, HENCE, THERE WAS NO RES JUDICATA ON THE SUBSEQUENT CASE FILED BETWEEN THE SAME PARTIES, SUBJECT MATTER AND CAUSE OF ACTION."^[31] (*Emphasis and underscoring were made in the original*)

As properly argued by petitioner in her *sole assigned issue*, the Decision^[32] dated September 2, 2005 in Civil Case No. 177975-CV, which dismissed respondent's previous Complaint^[33] against petitioner, was a judgment based on the merits, such that the rule on *res judicata* therefore applied to respondent's Complaint^[34] below.

In declaring that the Decision^[35] in Civil Case No. 177975-CV was not based on the merits, the RTC ruled as follows:

"It is not disputed that **in Civil Case No. 179975[-]CV, the plaintiff therein (plaintiffappellant in this case) did not file its position paper**, while defendant (defendant-appellee here) did. **It is upon this failure of the plaintiffappellant to file its position paper (together with pertinent affidavits and supporting documents), that the Complaint in Civil Case No. 179975[-]CV was dismissed 'for lack of preponderance of evidence'**. There could have been no judgment on the merits, i.e., on that completely investigated the facts and issues, and where the court made a determination of each of the parties' rights therein. The Decision in Civil Case No. 179975[-]CV did not resolve who has the better right to possess

the subject premises, as between the plaintiff and the defendant therein. As the Court emphasized in the Decision in Civil Case No. 179975[-]CV, in ejectment cases governed by the Rule in Summary Procedure, the complaint alone, unaided by position paper accompanied by affidavits and supporting documents cannot be enough basis to oust a defendant from the subject premises.

Clearly therefore, **since the Decision in Civil Case No. 17997[5-]CV was not a judgment based in the merits of the case, the rule on *res judicata* is not applicable.** Hence, the Decision in Civil Case No. 179975[-]CV is not a bar to the subsequent filing of the Complaint in Civil Case No. 184492[-]CV."^[36] (*Italics was made in the original, emphasis supplied*)

Contrary to the findings of the RTC however, is that the MeTC Br. 15 dismissed respondent's previous Complaint^[37] in Civil Case No. 177975-CV not because of respondent's failure to file its Position Paper, as was stated by the RTC, but because respondent had failed to prove its "right to recover material possession of the subject premises"^[38] from petitioner. The pertinent portion of the Decision^[39] of the MeTC Br. 15 in Civil Case No. 177975-CV stated the following:

"Issues having been joined, **the case was set for preliminary conference xxx.** It being **apparent that no amicable settlement can be reached, the conference was terminated, and the parties were directed to submit their respective position paper attaching thereto pertinent affidavits and supporting documents,** after which, the case will be deemed submitted for decision. **Only defendant submitted position paper. On the other hand, no position paper was filed in behalf (sic) of the plaintiff,** despite the presence of both counsel during the last hearing on July 1, 2005, as well as said counsel's receipt of the Order of even date requiring submission of position papers. It is worthy of mention that **on the said last hearing of July 1, 2005, plaintiff through counsel had the following documents marked as its Exhibits:**

Exh. 'A' – Secretary's Certificate authorizing Ms. Rosa Manotok to represent the plaintiff

Exh. 'B' – Management Contract dated December 22, 1997

Exh. 'C' – Management Contract dated January 7, 2004

Exh. 'D' Contract of [L]ease by and between plaintiff defendant Socorro Roman, dated March 23, 1998

Exh. 'E' – copy of demand letter dated May 17, 2004

Exh. 'E-1' Registry receipt showing receipt on May 21, 2004, by Socorro Roman of the demand letter

xxx

Exh. 'F' – Certified photocopy of TCT No. 172571

Exh. 'G' – copy of the subdivision plan in the name of Perpetra Bucanegra showing the location of TCT No. 172571; Lot 9-C marked as Exh. 'G-1'

Exh. 'H' – portion of the subdivision plan made by Geodetic Engr. Escalante; Lot 11 was marked as Exh. 'H-1' to show the exact location of the premises subject matter of this case.