

## TWELFTH DIVISION

[ CA-G.R. SP NO. 86462, August 15, 2006 ]

**WL MANUFACTURING CORPORATION, PETITIONER, VS. SPS. ANG KOCHING AND ESTER C. ANG; SPS. ALFONSO SIY AND ANG PUE TIN; AND HON. DIONISIO C. SISON, IN HIS CAPACITY AS PRESIDING JUDGE OF BRANCH 75, RTC, VALENZUELA CITY, RESPONDENTS.**

### D E C I S I O N

**MENDOZA, J.:**

*"The fundamental purpose of procedural rules is to afford each litigant every opportunity to present evidence on his behalf in order that substantial justice is achieved. Court litigations are primarily for the search of truth, and a liberal interpretation of the rules by which **both parties** are given the fullest opportunity to adduce proofs is the best way to ferret out such truth. The dispensation of justice and vindication of legitimate grievances should not be barred by technicalities."*<sup>[1]</sup>

This petition for certiorari filed by WL Manufacturing Corporation assails three (3) orders of the public respondent, Judge Dionisio C. Sison, while he was the Acting Presiding Judge of the Regional Trial Court, Branch 75, Valenzuela City, in **Civil Case No. 215-V-03**, an action for annulment of titles. These are:

- 1] the **June 18, 2004 Order** reconsidering its own March 3, 2004 Order dismissing said civil case for violating the rules on forum shopping;
- 2] the **August 30, 2004 Order** denying the motion for reconsideration thereof; and
- 3] the **January 7, 2005 Order** declaring the petitioner in default for failure to file its answer within the reglementary period.

For an overview and better grasp of the dispute, a study of the factual and procedural antecedents is in order.

1] On August 24, 1994, private respondents Sps. Ang Koc Ching and Ester C. Ang and Sps. Alfonso Siy and Ang Pue Tin filed a Compliant for Annulment of Titles with Damages against petitioner W.L. Manufacturing Corp. and several other defendants. The said complaint was docketed as **Civil Case No. 4454-V-94 (First Case)** and raffled to Branch 172 of the Regional Trial Court of Valenzuela City, presided over by Hon. Floro P. Alejo.

2] On February 3, 2003, a defendant therein, Alberto Del Rosario, filed a Motion To Dismiss reasoning out that the required Certificate of Non-Forum Shopping was not signed by any of the plaintiffs but only by their

lawyer in violation of Supreme Court Circular No. 04-94.

3] On April 15, 2003, herein petitioner W.L. Manufacturing Corporation filed a Manifestation adopting the Motion To Dismiss of Alberto del Rosario.

4] On June 2, 2003, the trial court, Judge Floro P. Alejo presiding, issued an Order dismissing the complaint as well as the counterclaim in Civil Case No. 4454-V-94.

5] On June 21, 2003, defendant Alberto del Rosario filed a Motion for Reconsideration praying that the June 2, 2003 Order be modified by allowing him to pursue his counterclaims against plaintiffs (private respondents herein) as well as his third-party complaint against third party defendant Cita B. Garcia.

6] On July 9, 2003, the trial court denied the Motion for Reconsideration of defendant Alberto del Rosario.

7] Not satisfied, petitioner and Alberto del Rosario filed separate petitions for certiorari with this Court questioning the June 2, 2003 Order and July 9, 2003 Order, to wit:

a] **CA-G.R. SP No. 78610** filed by Alberto del Rosario praying that the June 2, 2003 and July 9, 2003 Orders "be declared void insofar as they preclude petitioner from prosecuting his counterclaims and his third party complaint below."

b] **CA-G.R. SP No. 79024** filed by petitioner WL Manufacturing praying for "the modification of the assailed orders dated June 2, 2003 and July 9, 2003 to the effect that the dismissal of Civil Case No. 4454-V-94 shall be with prejudice."

8] On September 9, 2003, during the pendency of said petitions, private respondents *re-filed* their Complaint for Annulment of Titles with Damages before the Regional Trial Court of Valenzuela City docketed as **Civil Case No. 215-V-03 (Second Case)** and raffled to Branch 75, public respondent, Hon. Dionisio C. Sison, presiding.

9] On October 10, 2003, in *Civil Case No. 215-V-03 (Second Case)*, petitioner filed a motion praying for the dismissal of the case for forum shopping and for the holding of the private respondents in contempt.

10] On October 14, 2003, in the same *Civil Case No. 215-V-03 (Second Case)*, defendant Alberto Del Rosario filed a Motion for Summary Dismissal and To Cite Plaintiffs and Counsel for Direct Contempt.

11] On **March 3, 2004**, the public respondent issued an Order *granting the motions to dismiss* for the reason that the plaintiffs (private respondents herein) had violated the rule on forum-shopping.

12] On April 29, 2004, plaintiffs (private respondents herein) filed a Motion for Reconsideration praying that the Order of Dismissal, dated March 3, 2004, be reconsidered and set aside and another order issued requiring defendants to file their Answers to the Complaint.

13] On February 24, 2004, the Court of Appeals issued a Resolution consolidating CA-G.R. SP No. 79024 filed by petitioner and CA-G.R. SP No. 78610 filed by Alberto Del Rosario.

14] On April 19, 2004, the Court of Appeals rendered its Decision in *CA-G.R. SP No. 78610* and *CA-G.R. SP No. 79024* dismissing the consolidated petitions for the reason that a dismissal of a case on said ground is generally without prejudice and that the re-filing of the complaint rendered the cases moot and academic.<sup>[2]</sup> Both petitioners in *CA-G.R. SP No. 78610* and *CA-G.R. SP No. 79024* filed separate motions for reconsideration.

15] On **June 18, 2004**, the public respondent issued the questioned order reconsidering the March 3, 2004 order of dismissal of Civil Case No. 215-V-03 (*Second Case*) on the basis of the April 19, 2004 Decision of the Court of Appeals. The **June 18, 2008 Order** reads:

“This treats the Motion For Reconsideration filed by the plaintiffs praying for the setting aside of the Court’s Order dated March 3, 2004 dismissing the instant case and the Comment or Opposition of the defendants thereto.

After a careful re-examination of the positions of the parties in their respective pleadings and careful reading of the decision of the Court of Appeals promulgated on April 19, 2004 which denied defendants’ petition for certiorari in Civil Case No. 4454-V-94 which affirmed the decision of Branch 172 of this Court dismissing the said case *without prejudice*, this Court is very much inclined to give due course to the plaintiffs’ instant motion for reconsideration. In the Court of Appeals’ decision, it considered Civil Case No. 4454-V-94 as already dismissed/terminated and the re-filing of the instant case against the same defendants for the same causes of actions, is but legal and proper. The Court of Appeals ruled that:

“Over and above the foregoing considerations, the fact that private respondents have already re-filed their complaint has, finally, effectively rendered the petitions at bench moot and academic.”

WHEREFORE, the questioned Order of this Court dated March 3, 2004 is hereby RECONSIDERED and SET ASIDE.

The defendants are likewise directed to file their respective responsive pleadings to the instant Complaint within the reglementary period as provided for by the Rules of Court.

SO ORDERED.”<sup>[3]</sup>

16] On July 2, 2004, petitioner filed a Motion for Reconsideration with the public respondent praying that “the Order dated June 18, 2004 be reconsidered and set aside” and that “the Order of this court dated March 3, 2004 dismissing this case for being violative of the Rules against Forum Shopping be reinstated.” Likewise, on July 12, 2004, defendant Alberto Del Rosario filed a Motion to Set Aside Order wherein he prayed that “the Order of June 18, 2004 be SET ASIDE.”

17] On **August 30, 2004**, the public respondent issued the second questioned order in Civil Case No. 215-V-30 (*Second Case*) denying the motion for reconsideration emphasizing that the Court of Appeals has ruled that the petitions of the petitioners with the Court of Appeals regarding Civil Case No. 4454-V-94 (*First Case*) have become moot and academic considering the re-filing of the (second) case.<sup>[4]</sup>

18] On September 13, 2004, the Court of Appeals denied the motions for reconsideration filed by the petitioners in *CA-G.R. SP No. 78610 and CA-G.R. SP No. 79024*.

19] On September 21, 2004, petitioner WL Manufacturing Corporation filed the instant petition assailing the subject orders, the June 18, 2004 Order and the August 30, 2004 Order, praying that they be set aside and that Civil Case No. 215-V-03 be dismissed.

20] On November 11, 2004, petitioner filed a Petition for Certiorari with the Supreme Court which was docketed as G.R. Nos. 165401-02 questioning the decision of the Court of Appeals in *CA-G.R. SP No. 78610* and *CA-G.R. SP No. 79024*.<sup>21]</sup> On **January 7, 2005**, still during the pendency of this petition, the public respondent, acting on the motion of private respondents to declare petitioner in default, granted the motion and declared it in default for not filing an answer or any responsive pleading.

22] On January 19, 2005, the Supreme Court issued a Resolution, in *G.R. Nos. 165401-02*, denying the petition for certiorari filed by the petitioner.

23] On February 23, 2005, petitioner filed a Motion for Reconsideration with the Supreme Court.

24] On April 25, 2005, the Supreme Court denied with finality the motion for reconsideration “for lack of sufficient showing that the Court of Appeals had committed any reversible error in the questioned judgment.”

As earlier stated, in this special civil action, petitioner WL Manufacturing Corporation assails the three (3) orders (*the **June 18, 2004 Order** reconsidering the motion to dismiss; the **August 30, 2004 Order** denying the motion for reconsideration thereof; and the **January 7, 2005 Order** declaring the petitioner in default*) and prays that the orders be set aside and that Civil Case No. 215-V-03 be dismissed presenting these

## I S S U E S

### I

WHETHER OR NOT THE PUBLIC RESPONDENT IS GUILTY OF GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT JUSTIFIED THE RECONSIDERATION OF ITS MARCH 3, 2004 ORDER (DISMISSING CIVIL CASE NO. 215-V-03 DUE TO COMMISSION OF FORUM SHOPPING BY THE PLAINTFFS) ON THE BASIS OF A COURT OF APPEAL'S RESOLUTION DATED APRIL 19, 2004 WHICH HAS YET TO ATTAIN FINALITY

### II

WHETHER OR NOT THE PUBLIC RESPONDENT'S JANUARY 7, 2005 ORDER DECLARING PETITIONER AND ITS CO-DEFENDANTS IN DEFAULT IN CIVIL CASE NO. 215-V-03 IS A NULL AND VOID ORDER FOR BEING ISSUED WITH GRAVE ABUSE OF DISCRETION OR LACK OF JURISDICTION"<sup>[5]</sup>

Elaborating thereon, *petitioner* is of the position that the two orders, the June 18, 2004 Order and the August 30, 2004 Order, were issued in utter disregard of the established Rules of Procedure. It pointed out that decisions of the Court of Appeals were still appealable to the Supreme Court through a verified petition for review on certiorari (Sec. 1, Rule 45, Revised Rules of Court), and that such petition may be filed within fifteen (15) days from notice of the judgment or resolution appealed from, or the resolution denying a motion for reconsideration. It called the attention of the Court to the fact that the public respondent even took note of the petitioner's pending motion for reconsideration from the April 19, 2004 Court of Appeals' Decision.

The disquisition of the public respondent constituted an utter impropriety on its part considering that the Court of Appeals' decision had not yet attained finality. By reconsidering and setting aside its March 3, 2004 Order on the basis of a Court of Appeals' decision which was not yet final, the public respondent committed a grave abuse of discretion which should be corrected.

After the petition was filed, the petitioner manifested that despite the fact that a new permanent judge had already been appointed, the public respondent on January 7, 2005, still declared petitioner and its co-defendants in default. This is the plaint of petitioner raised as its second issue which the Court, in the interest of justice, admits as an additional allegation of the basic petition considering that the questioned order was issued after it was filed. Specifically, the petitioner alleged:

"Secondly, as early as mid December 2004, the Supreme Court had already sworn in Judge Natividad Dabbay to take the place of Judge Dionisio Sison, as permanent Presiding Judge of Regional Trial Court of Valenzuela City, Branch 75, thus leaving Judge Sison without jurisdiction to issue his January 6, 2004 Order. In his answer to the administrative complaint against him before the office of the Court Administrator, Judge Sison admitted the designation of a new judge to Regional Trial Court of Valenzuela City, Branch 75 prior to his issuance of his January 7, 2005 Order declaring petitioner and its co-defendants in default in Civil Case