



# Republic of the Philippines Supreme Court Manila

# SECOND DIVISION

SANTOS HOCORMA

VENTURA FOUNDATION.

G.R. No. 211563

INC.,

Petitioner,

PERLAS-BERNABE, S.A.J.,

Chairperson,

HERNANDO.

Present:

INTING,

LOPEZ, J. Y., \*and DIMAAMPAO, JJ.

-versus-

INSTITUTE,

Promulgated:

INC.,

MABALACAT

Respondent.

SEP 2 9 2021

#### DECISION

### HERNANDO, J.:

Challenged in this appeal is the August 30, 2013 Decision<sup>1</sup> of the Court of Appeals (CA/appellate court) in CA-GR. CV No. 93376, and its February 26, 2014 Resolution<sup>2</sup> finding petitioner Santos Ventura Hocorma Foundation, Inc. (SVHFI) guilty of forum shopping when it filed two different actions, one for collection of sum of money and the other an unlawful detainer suit in two different courts.

<sup>2</sup> Id. at 34-35.

<sup>\*</sup> Designated as additional Member per Raffle dated September 15, 2021 vice J. Gaerlan who recused due to prior action in the CA.

Rollo, pp. 26-33. Penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Michael P. Elbinias and Nina G. Antonio-Valenzuela.

### The Antecedents:

SVHFI claimed that it is the registered and absolute owner of a parcel of land with an area of 11,451 square meteres (sq.m.), situated in Mabalacat, Pampanga, more particularly described as Lot No. 530 and covered by Transfer Certificate of Title No. (TCT) T-195826-R, issued in its name (subject lot). Mabalacat Institute, Inc. (MII), which is now known as Don Teodoro V. Santos Institute, occupies said lot without paying rent and only through its tolerance since the year 1983 until March 14, 2002.<sup>3</sup>

Nevertheless, through SVHFI's March 14, 2002 letter,<sup>4</sup> it informed MII that beginning April 1, 2002, it will be charged a rental fee for its use and occupancy of the subject lot at the monthly rate of ₱50.00 per sq.m. which is payable on or before the 5<sup>th</sup> day of each month. However, in MII's June 7, 2002 reply letter<sup>5</sup>, it refused to comply with SVHFI's demand.

In view of MII's refusal, SVHFI wrote another letter<sup>6</sup> on July 11, 2002, demanding the rental payment for the months of April to July 2002 in the total amount of ₱2,519,220.00 within 15 days from receipt thereof. Otherwise, it must vacate the subject lot. However, MII still failed to comply therewith.<sup>7</sup>

In view of the foregoing, SVHFI filed a Complaint<sup>8</sup> for collection of a sum of money against MII. The case was raffled to Branch 150, Regional Trial Court, Makati City (court *a quo*) and docketed as Civil Case No. 02-1326 (Collection Case).<sup>9</sup>

Instead of filing an answer, MII filed a Motion to Dismiss<sup>10</sup> the complaint on the ground that the court a *quo* had not validly acquired jurisdiction because it was not properly served with summons.<sup>11</sup>

In its March 12, 2003 Order<sup>12</sup>, the court *a quo* denied MII's Motion to Dismiss. MII moved for reconsideration<sup>13</sup> of the said Order but the same was likewise denied in its September 25, 2003 Order.<sup>14</sup>

<sup>3</sup> Id. at 14 and 27.

<sup>&</sup>lt;sup>4</sup> CA rollo, p. 78.

<sup>&</sup>lt;sup>5</sup> Id. at 84.

<sup>&</sup>lt;sup>6</sup> Id. at 85.

<sup>&</sup>lt;sup>7</sup> Rollo, pp. 27-28.

<sup>&</sup>lt;sup>8</sup> CA *rollo*, pp. 87-92.

<sup>&</sup>lt;sup>9</sup> Rollo, p. 27.

<sup>&</sup>lt;sup>10</sup> CA rollo, pp. 108-109.

<sup>11</sup> Rollo, p.28.

<sup>&</sup>lt;sup>12</sup> CA rollo, pp. 110-111.

<sup>&</sup>lt;sup>13</sup> Id. at 112.

<sup>&</sup>lt;sup>14</sup> Rollo, pp. 16 and 28; See also CA rollo, pp. 112-114.

MII then sought to nullify the RTC's March 12, 2003 and September 25, 2003 Orders before the CA through a Petition for *Certiorari*<sup>15</sup> under Rule 65 of the Rules of Court, which was denied in the appellate court's July 13, 2005 Decision<sup>16</sup> in CA G.R. SP No. 80547. MII moved for reconsideration, which was likewise denied in the appellate court's September 16, 2005 Resolution.<sup>17</sup>

Unfazed, MII filed with this Court a Petition for Review on *Certiorari*<sup>18</sup> docketed as GR. No. 167876. However, it was dismissed through this Court's July 4, 2005 Resolution<sup>19</sup> on the following grounds: (i) the petition was considered as unsigned pleading for failure to verify the same in accordance with Section 4, Rule 7 in relation to Section 1, Rule 65 of the Rules of Court; and (ii) the petition lacks sufficient showing that the assailed judgement was tainted with grave abuse of discretion.

On March 29, 2006, MII filed its Answer with Compulsory Counterclaim<sup>20</sup> with the court a quo in the Collection Case which was admitted in the Order dated June 27,  $2007^{21}$ .

Thereafter, the court *a quo* set the Collection Case for pre-trial. However, prior to the scheduled pre-trial, on September 28, 2007, MII filed a Motion to Dismiss<sup>22</sup> the complaint on the ground of forum shopping. It argued that the failure of SVHFI to report to the court *a quo* that it filed the Ejectment Case despite the explicit requirement of Section 5(c), Rule 7 of the Rules of Court was a willful and deliberate act of forum shopping on account of which its complaint should be dismissed. MII likewise charged SVHFI with violating the rule on splitting of a single cause of action as set forth in Sections 3 and 4, Rule 2 of the same Rules.<sup>23</sup>

While the court *a quo*'s proceedings were underway, SVHFI filed a Complaint<sup>24</sup> for Ejectment on June 20, 2006 against MII. It was raffled to the sixth Municipal Circuit Trial Court (MCTC) of Mabalacat and Magalang, Pampanga and docketed as Civil Case No. 06-2568 (Ejectment Case).<sup>25</sup>

<sup>&</sup>lt;sup>15</sup> CA *rollo*, pp. 115-133.

Id. at 134-145; penned by Associate Justice Romeo A. Brawner and concurred in by Associate Justices Edgardo P. Cruz and Jose C. Mendoza.

<sup>&</sup>lt;sup>17</sup> Id. at 146

<sup>18</sup> Id. at 147-189.

<sup>&</sup>lt;sup>19</sup> Id. at 190.

<sup>&</sup>lt;sup>20</sup> Rollo, p. 28; See also CA rollo, pp. 194-208.

<sup>&</sup>lt;sup>21</sup> See *Rollo*, p. 29.

<sup>&</sup>lt;sup>22</sup> CA rollo, pp. 209-216.

<sup>&</sup>lt;sup>23</sup> Rollo, p. 29.

<sup>&</sup>lt;sup>24</sup> Id. at 28.

<sup>&</sup>lt;sup>25</sup> Id.

# Ruling of the Regional Trial Court:

In its March 31, 2008 Order<sup>26</sup> the court *a quo* granted MII's motion to dismiss, thereby dismissing the Collection Case, to wit:

WHEREFORE, the instant motion is Granted. Civil Case No. 02-1326 is hereby dismissed.

SO ORDERED.<sup>27</sup>

Aggrieved, SVHFI filed a Motion for Reconsideration<sup>28</sup> which the RTC denied in its October 6, 2008 Order.<sup>29</sup>

# Ruling of the Court of Appeals:

SVHFI filed an appeal<sup>30</sup> with the appellate court, wherein the sole issue raised was whether or not SVHFI was guilty of forum shopping when it filed two different actions, *i.e.*, the Collection and Ejectment Cases, in two different courts.<sup>31</sup> In its August 30, 2013 Decision,<sup>32</sup> the appellate court ruled in the affirmative, to wit:

WHEREFORE, in view of the foregoing premises, the instant appeal is hereby **DENIED** and the March 31, 2008 Order of the Regional Trial Court, Branch 150 in the City of Makati in Civil Case No. 02-1326 is hereby **AFFIRMED**.

# SO ORDERED.33

Both parties filed their respective Motions for Reconsideration<sup>34</sup> which were both denied in the appellate court's February 26, 2014 Resolution.<sup>35</sup>

Thus, both parties filed their respective Petitions for Review on Certiorari<sup>36</sup> under Rule 45 of the Rules of Court. In MII's Petition, docketed as G.R. No. 211531, it asserts that the appellate court failed to resolve the issue it raised as to whether or not it should be allowed to present evidence to prove its compulsory counterclaim pursuant to Section 6, Rule 16 of the Rules

<sup>&</sup>lt;sup>26</sup> CA rollo, pp. 217-223. Penned by Presiding Judge Elmo M. Alameda.

<sup>&</sup>lt;sup>27</sup> Id. at 730.

<sup>&</sup>lt;sup>28</sup> Rollo, p. 29.

<sup>&</sup>lt;sup>29</sup> Id.; See also CA rollo p. 224.

<sup>&</sup>lt;sup>30</sup> CA *rollo*, pp. 15-16.

<sup>31</sup> Rollo, p. 29.

<sup>&</sup>lt;sup>32</sup> Id. at 26-33.

<sup>&</sup>lt;sup>33</sup> Id, at 30,

<sup>&</sup>lt;sup>34</sup> Id. at 34.

<sup>&</sup>lt;sup>35</sup> Id.

<sup>&</sup>lt;sup>36</sup> Id. at 8-23.

of Court, as amended.<sup>37</sup> It claims that the dismissal of the complaint under the said provision was without prejudice to the prosecution in the same or separate action of a counterclaim pleaded in the answer.<sup>38</sup> Thus, it prays that We order the court *a quo* to hear *ex-parte* the presentation of its evidence for its compulsory counterclaim.<sup>39</sup>

On the other hand, in SVHFI's instant petition, docketed as G.R. No. 211563, it argues that the appellate court erred in sustaining the trial court's finding that it is guilty of forum shopping.<sup>40</sup> It asserts that the identity of the rights asserted in a collection of rent is different from an ejectment proceeding.<sup>41</sup>

In Our April 21, 2014 Resolution<sup>42</sup> We denied MII's petition in G.R. No. 211531, to wit:

In this appeal, MII cries foul over the silence of the Court of Appeals' decision and resolution regarding the fate of its counterclaim. MII claimed that it had already apprised the Court of Appeals about its counterclaim in its Reply Brief and motion for reconsideration.

 $x \times x \times x$ 

We deny the petition.

It must be mentioned at the outset that MII is not actually challenging the *merits* of the decision and resolution of the Court of Appeals. MII is just concerned about the apparent disregard of its counterclaim in both.

The fate of the counterclaim of MII, however, is not for the Court of Appeals to decide; it is for the RTC. And the RTC was only unable to act upon MII's request because, according to the trial court, it already transmitted the records of Civil Case No. 02-1326 to the Court of Appeals due to the pendency of CA-G.R. CV No. 93376. This reasoning employed by the RTC was never challenged by MII; rather MII merely took the same as a cue to inform the Court of Appeals about its request to present evidence on its counterclaim before the RTC.

Hence, We find no error on the part of the Court of Appeals in making no disposition as to MII's counterclaim in its decision and resolution in CA-G.R. CV No. 93376.

<sup>&</sup>lt;sup>37</sup> Id. at 10.

<sup>&</sup>lt;sup>38</sup> Id. at 8.

<sup>&</sup>lt;sup>39</sup> Id. at 12.

<sup>40</sup> Id. at 17.

<sup>41</sup> Id. at 19.

<sup>&</sup>lt;sup>42</sup> Rollo, pp. 27-30; Notice dated April 21, 2014.

Subsequently, in G.R. No. 211531, MII moved for reconsideration which this Court denied in its July 9, 2014 Resolution.<sup>43</sup> Thus, the same became final and executory on September 9, 2014.<sup>44</sup>

#### Issue

The issue to be resolved in the instant case is whether SVHFI committed forum shopping when it filed two different actions, i.e., the Collection and Ejectment Cases, in two different courts.

# Our Ruling

We resolve to grant SVHFI's Petition.

We hold that SVHFI did not violate the rule on forum shopping when it filed the Ejectment Case while the Collection Case has been pending for four years.

The determinative factor in violations of the rule against forum shopping is whether the elements of litis pendentia are present, or whether a final judgment in one case will amount to res judicata in another.

In Intramuros Administration v. Offshore Construction Development Co., 45 (Intramuros) We explained that "[f]orum shopping is the practice of resorting to multiple fora for the same relief, to increase the chances of obtaining a favorable judgment." 46

Section 5, Rule 7 of the Rules of Court prohibits forum shopping by requiring the plaintiff or principal party to certify under oath that he or she has not commenced any action involving the same issues in any court.<sup>47</sup> In *Orix Metro Leasing and Finance Corp. v. Cardline, Inc.*,<sup>48</sup> We pointed out that the "rule against forum shopping seeks to address the great evil of two competent tribunals rendering two separate and contradictory decisions. Forum shopping exists when a party initiates two or more actions, other than appeal

<sup>&</sup>lt;sup>43</sup> Id. at 46.

<sup>44</sup> Id. at 49-50.

<sup>45 827</sup> Phil. 303, 327 (2018).

<sup>46</sup> Id., citing Dy v. Mandy Commodities, Inc., 611 Phil. 74, 84 (2009).

<sup>&</sup>lt;sup>47</sup> Dynamic Builders & Construction Co. (Phil.), Inc. v. Presbitero, Jr., 757 Phil. 454, 468 (2015).

<sup>48 778</sup> Phil. 280, 292 (2016).

or certiorari, grounded on the same cause to obtain a more favorable decision from any tribunal."49

The elements of forum shopping are: (i) identity of parties, or at least such parties representing the same interest; (ii) identity of rights asserted and relief prayed for, the latter founded on the same facts; and (iii) any judgment rendered in one action will amount to *res judicata* in the other action.<sup>50</sup>

In Spouses Reyes v. Spouses Chung,<sup>51</sup> We explained the test to determine whether a party violated the rule against forum shopping, to wit:

It has been jurisprudentially established that forum shopping exists when a party avails himself of several judicial remedies in different courts, simultaneously or successively, all substantially founded on the same transactions and the same essential facts and circumstances, and all raising substantially the same issues either pending in or already resolved adversely by some other courts.

The test to determine whether a party violated the rule against forum shopping is whether the elements of litis pendentia are present, or whether a final judgment in one case will amount to res judicata in another. Simply put, when litis pendentia or res judicata does not exist, neither can forum shopping exist.

The requisites of *litis pendentia* are: (a) the identity of parties, or at least such as representing the same interests in both actions; (b) the identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) the identity of the two cases such that judgment in one, regardless of which party is successful, would amount to res judicata in the other. On the other hand, the elements of res judicata, also known as bar by prior judgment, are: (a) the former judgment must be final; (b) the court which rendered it had jurisdiction over the subject matter and the parties; (c) it must be a judgment on the merits; and (d) there must be, between the first and second actions, identity of parties, subject matter, and causes of action. <sup>52</sup> (Emphasis supplied)

# SVHFI was not guilty of forum shopping.

In the instant case, We find that the second and third elements of forum shopping and *litis pendentia* are lacking. Thus, We are of the firm view that there is no identity of rights asserted and reliefs prayed for between a suit for

<sup>49</sup> Id. citing Arevalo v. Planters Development Bank, G.R. No. 193415, April 18, 2012, 670 SCRA 252, 267.

Chavez v. Court of Appeals, 624 Phil. 396, 400 (2010), citing Cruz v. Caraos, G.R. No. 138208, April 23, 2007, 521 SCRA 510, 522. See also Orix Metro Leasing and Finance Corp. v. Cardline, Inc., supra note 48.

<sup>818</sup> Phil. 225 (2017), citing Dayot v. Shell Chemical Company (Phils.), G.R. No. 156542, June 26, 2007, 525 SCRA 535, 545-546. See also Intramuros Administration v. Offshore Construction Development Co., supra note 45.

<sup>&</sup>lt;sup>52</sup> Id. at 234.

collection of sum of money and an unlawful detainer case, and that any judgment rendered in one of these actions would not amount to *res judicata* in the other action.

Firstly, there is no identity of rights asserted and reliefs prayed for between both actions.

The only issue that must be settled in an ejectment proceeding is physical possession of the property involved.<sup>53</sup> Thus, in actions for unlawful detainer, a complaint sufficiently alleges said cause of action if it states the following elements, to wit: (1) initially, the possession of the property by the defendant was by contract with or by tolerance of the plaintiff; (2) eventually, such possession became illegal upon notice by the plaintiff to the defendant of the termination of the latter's right of possession; (3) thereafter, the defendant remained in possession of the property and deprived the plaintiff of its enjoyment; and (4) within one year from the making of the last demand to vacate the property, the plaintiff instituted the complaint for ejectment.<sup>54</sup>

On one hand, the purpose of the Collection Case was to compel MII to pay its rent in view of its occupancy on the subject lot from the time of SVHI's initial demand to vacate the subject lot. Thus, in *Pro-Guard Security Services Corp. v. Tormil Realty and Development Corp.*, 55 this Court pointed out that the party adjudged to be the lawful possessor in an ejectment suit is entitled to compensation, reckoned from the time he demanded the adverse party to vacate the disputed property.

On the other hand, in the Ejectment Case, SVHFI's cause of action stemmed from the prejudice it suffered due to the loss of possession of its property. Nonetheless, its claims in the Collection Case do not have a direct relation to its loss of material possession of the subject lot.<sup>56</sup> Thus, We emphasized Our pronouncement in *Araos v. Court of Appeals*,<sup>57</sup> which We likewise reiterated in *Lajave Agricultural Management and Development Enterprises*, *Inc. v. Spouses Javellana*<sup>58</sup> (*Lajave*) to wit:

The rule is settled that in forcible entry or unlawful detainer cases, the only damage that can be recovered is the fair rental value or the reasonable compensation for the use and occupation of the leased property. The reason for this is that in such cases, the only issue raised in ejectment cases is that of

<sup>53</sup> See *Mangaser v. Ugay*, 749 Phil. 372, 381 (2014).

<sup>55</sup> 738 Phil. 417, 425 (2014).

<sup>57</sup> 302 Phil. 813, 819 (1994).

58 Supra.

Rosario v. Alba, 784 Phil. 778, 787 (2016), citing Zacarias v. Ancay, G.R. No. 202354, September 24, 2014, 736 SCRA 508; Republic v. Sunvar Realty Development Corporation, 688 Phil. 616 (2010); Macaslang v. Spouses Zamora, 664 Phil. 337 (2011).

See Lajave Agricultural Management and Development Enterprises, Inc. v. Spouses Javellana, G.R. No. 223785, November 7, 2018.

rightful possession; hence, the damages which could be recovered are those which the plaintiff could have sustained as a mere possessor, or those caused by the loss of the use and occupation of the property, and not the damages which he may have suffered but which have no direct relation to his loss of material possession.

Secondly, any judgment rendered in ejectment cases of forcible entry or unlawful detainer will not amount to res judicata in a civil case of collection of sum of money for unpaid rent of the same property and vice versa.

Settled is the rule that the only issue raised in ejectment cases is that of physical possession of the property. Thus, in forcible entry or unlawful detainer cases, the only damage that can be recovered is the fair rental value or the reasonable compensation for the use and occupation of the leased property. Hence, the damages which could be recovered are those which the plaintiff could have sustained as a mere possessor, or those caused by the loss of the use and occupation of the property. On the other hand, in a civil suit for collection of sum of money, what is sought to be recovered is the payment of rentals only without regard to the unlawfulness of the occupancy.

Our pronouncement in Lajave, is instructive, to wit:

[D]id Agustin commit violation of the rules on forum shopping, on splitting of a single cause of action, and on litis pendentia when he filed the complaint for collection of sum of money during the pendency of the unlawful detainer cases?

We answer in the negative.

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In the instant case, a perusal of the records shows that the second and third requirements [of litis pendentia] are lacking. While the complaints appear to involve the same parties and properties, we find, however, no identity of causes of action. In the unlawful detainer cases filed by Agustin, in view of Lajave's failure to vacate the subject properties and non-payment of rentals, his cause of action stemmed from the prejudice he suffered due to the loss of possession of his properties and the damages incurred after the dispossession.

Meanwhile, in the complaint for collection of sum of money, the same was founded upon alleged violation of Lajave, as lessee, of certain stipulations with regard to payment of the lease, i.e., whether Lajave correctly paid the rental fees for the subject period as stipulated in the lease agreement.

<sup>59</sup> Echanes v. Spouses Hailar, 792 Phil. 724, 730 (2016), citing Barrientos v. Rapal, 669 Phil. 438, 444 (2011).

La Campana Development Corp. v. Ledesma, 643 Phil. 257, 266 (2010).
Lajave Agricultural Management and Development Enterprises, Inc. v. Spouses Javellana, supra note 55.

It must be emphasized anew that in forcible entry or unlawful detainer cases, the only damage that can be recovered is the fair rental value or the reasonable compensation for the use and occupation of the leased property. The reason for this is that in such cases, the only issue raised in ejectment cases is that of rightful possession; hence, the damages which could be recovered are those which the plaintiff could have sustained as a mere possessor, or those caused by the loss of the use and occupation of the property, and not the damages which he may have suffered but which have no direct relation to his loss of material possession. (Emphasis supplied; underscoring on the original).

We are not unaware of Our ruling in *Intramuros*. In said case, petitioner instituted an ejectment case against the respondent in the Metropolitan Trial Court (MeTC) while respondent filed a case for specific performance against petitioner in the Regional Trial Court (RTC). In the specific performance case, respondent prayed that petitioner be compelled to offset respondent's unpaid rentals. In addition, an interpleader case was filed against them in the RTC wherein the complainant prayed that the RTC determine which between the parties was the rightful lessor of the subject property in view of the respondent's threats to evict the tenants therein.

Thus, We held that "any recovery made by petitioner of unpaid rentals in either its ejectment case or in the specific performance case must bar recovery in the other, pursuant to the principle of unjust enrichment." Our foregoing pronouncement is in fact consistent with Our ruling in the instant case. In the Ejectment Case, the sole issue was the restoration to the rightful possessor of the subject lot who was deprived of the same. The rightful possessor would then be entitled to the fair rental value for the use and occupation of the property.

On the other hand, in the Collection Case, what is sought to be recovered is the payment of rentals, without regard to the legality of MII's occupancy or damages which SVHFI allegedly suffered but which have no direct relation to its loss of material possession. Both issues may be decided by the courts wherein they are pending. However, any amount that the victor may have recovered in the ejectment suit due to the damage caused by the loss of the use and occupation of the property, may no longer be recovered in the Collection Case on the ground of unjust enrichment.

We further note that in *Intramuros*, this Court resolved the issue of possession, without further remanding the case to the MeTC which would cause undue delay. Thus, the issue of the rightful possession was settled even if the issue of unpaid rentals was still pending before the RTC in the complaint

<sup>62</sup> J.d

<sup>63</sup> Intramuros Administration v. Offshore Construction Development Co., supra note 46.

for specific performance.<sup>64</sup> This further strengthens our view that an institution of an ejectment suit does not constitute as forum shopping even if the issue of unpaid rentals between the same parties and of the same property is pending before another court.

An action for collection of sum of money may not be joined with an ejectment suit, otherwise a misjoinder of causes of action would ensue.

Section 5, Rule 2 of the Rules of Court prohibits the joinder of an ordinary action, such as an action for collection of sum of money and a special civil action, such as an ejectment suit. Said provision reads:

Section 5. Joinder of causes of action. — A party may in one pleading assert, in the alternative or otherwise, as many causes of action as he may have against an opposing party, subject to the following conditions:

- (a) The party joining the causes of action shall comply with the rules on joinder of parties;
- (b) The joinder shall not include special civil actions or actions governed by special rules;
- (c) Where the causes of action are between the same parties but pertain to different venues or jurisdictions, the joinder may be allowed in the Regional Trial Court provided one of the causes of action falls within the jurisdiction of said court and the venue lies therein; and
- (d) Where the claims in all the causes of action are principally for recovery of money, the aggregate amount claimed shall be the test of jurisdiction. (Emphasis supplied.)

Thus, in *Lajave*, We pointed out that "an action for collection of sum of money may not be properly joined with the action for ejectment. The former is

Ordinarily, this case would now be remanded to the Metropolitan Trial Court for the determination of the rightful possessor of the leased premises. However, this would cause needless delay inconsistent with the summary nature of ejectment proceedings. Given that there appears sufficient evidence on record to make this determination, judicial economy dietates that this Court now resolve the issue of possession.

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However, this Court cannot award unpaid rentals to petitioner pursuant to the ejectment proceeding, since the issue of rentals in Civil Case No. 08-119138 is currently pending with Branch 37, Regional Trial Court, Manila, by virtue of petitioner's counterclaim. As the parties dispute the amounts to be offset under the July 27, 2004 Memorandum of Agreement and respondent's actual back and current rentals due, the resolution of that case is better left to the Regional Trial Court for trial on the merits.

<sup>64</sup> Id. at 334 and 338-339. We held:

an ordinary civil action requiring a full-blown trial, while an action for unlawful detainer is a special civil action which requires a summary procedure."

Thus, We explained, to wit:

[I]nsofar as the complaint for collection of sum of money is concerned, it is not a simple case of recovering the unpaid balance of rentals. It must be pointed out that there are several factors to consider if and when the collection of sum of money will prosper, i.e., the determination if indeed recovery of the alleged balance is proper, the correct amount of rental to be paid or recovered, the intention and/or agreement of the parties as to the terms of payment of rental in order to arrive at a correct amount, among others. Indeed, as correctly observed by the appellate court, the resolution of whether Lajave paid the correct rental fees and if there is a deficiency in the payment of rentals requires a full-blown trial through the submission of documentary and testimonial evidence by the parties which cannot be passed upon in a summary proceeding. 65 (Emphasis supplied).

In the instant case, the Collection Case requires a full-blown trial for the parties to show evidence on the propriety of paying rent and its rightful amount. These may not be accomplished in an ejectment proceeding which is summary in nature.

Therefore, this Court finds SVHFI not guilty of forum shopping when it filed the Ejectment Case subsequent to the Collection Case, while the latter is still pending. In both cases, there is no identity of rights asserted and reliefs prayed for, and that any judgement on any of these cases would not amount to res judicata on the other.

In the Ejectment Case, the cause of action stemmed from the prejudice that SVHFI allegedly suffered due to the loss of possession of the subject lot. On the other hand, the Collection Case was founded on the appropriate amount of rental fees that are allegedly due and the damages that SVHFI allegedly suffered but which have no direct relation to its loss of material possession.

WHEREFORE, petitioner Santos Ventura Hocorma Foundation Inc.'s Petition for Review on *Certiorari* is GRANTED. The Court of Appeals' August 30, 2013 Decision and February 26, 2014 Resolution in CA-G.R. CV No. 93376 are hereby REVERSED AND SET ASIDE. The instant case is REMANDED to the Regional Trial Court of Makati City, Branch 150 which is DIRECTED to continue its proceedings.

<sup>65</sup> Supra note 55.

SO ORDERED.

Associate Justice

WE CONCUR:

Senior Associate Justice Chairperson

Associate Justice

Associate Justice

Associate Justice

### **ATTESTATION**

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ESTELA M. PERLAS-BERNABE

Senior Associate Justice Chairperson

## **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO