

*Wilefredo V. Lapid*  
WILEFREDO V. LAPIDAN  
Division Clerk of Court  
Third Division

NOV 21 2018



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

**LAJAVE AGRICULTURAL  
MANAGEMENT and  
DEVELOPMENT ENTERPRISES,  
INC.,**

**G.R. No. 223785**

**Present:**

Petitioner,

PERALTA, J., *Chairperson*,  
LEONEN,  
GESMUNDO,\*  
REYES, J.C., JR.,\* and  
HERNANDO, JJ.

- versus -

**SPOUSES AGUSTIN  
JAVELLANA and FLORENCE  
APILIS-JAVELLANA,**  
Respondents.

**Promulgated:**

November 7, 2018

*Wilefredo V. Lapid*

X-----X

DECISION

**PERALTA, J.:**

Before us is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Rules of Civil Procedure seeking to nullify the Court of Appeals Decision<sup>1</sup> dated August 28, 2015 and its Resolution<sup>2</sup> dated March 21, 2016 in CA-G.R. SP No. 134659 entitled “*Spouses Agustin Javellana and Florence Apilis-Javellana v. Lajave Agricultural Management and Development Enterprises, Inc.*”<sup>3</sup>

The facts of the case are as follows:

On July 7, 1987, Agustin Javellana’s (*Agustin*) father, the late Justice Luis Javellana, executed a Deed of Absolute Sale transferring ownership of a property containing an area of forty-nine (49) hectares located in Silay

\* On wellness leave.

<sup>1</sup> Penned by Associate Justice Rosmari D. Carandang, with Associate Justices Mario V. Lopez and Myra V. Garcia-Fernandez, concurring; *rollo*, pp. 46-54.

<sup>2</sup> *Id.* at 56-57.

<sup>3</sup> Agustin Javellana representing *pro se* and as counsel of Florence Apilis-Javellana.

*JH*

City, Negros Occidental in favor of Agustin and his six (6) siblings. The ownership over the remaining area of the Silay City property was transferred to Agustin and his co-owners through intestate succession when the late Justice Javellana passed away on August 25, 1993 without leaving any last will and testament.

On May 13, 1998, for the purpose of planting sugarcane and other agricultural crops, petitioner Lajave Agricultural Management and Development Enterprises, Inc. (*Lajave*) entered into a Contract of Lease<sup>4</sup> with Agustin for the lease of the latter's portion of the property, consisting of seven (7) hectares of sugar land in Hacienda San Isidro, Silay City for a period of ten (10) years, beginning with the crop year 1988-1989 to 1997-1998. The property is covered by Transfer Certificate of Title No. T-7203 of the Register of Deeds of Silay City. Lajave agreed that it shall pay Agustin an annual rental of thirteen (13) piculs of sugar per hectare of the land. It was also agreed therein that upon the expiration of the term of the lease or any extension and renewals thereof, Lajave would peaceably and voluntarily surrender to Agustin the land leased without need of demand.<sup>5</sup>

After the death of Agustin's father, Lajave continued to lease the said property in Silay City and even expanded the coverage of the lease to include the other shares of Agustin in other properties he inherited from his father located in *Barangay* Matab-ang, Talisay City, Negros Occidental, and covered by Transfer Certificate of Title No. T-142126 of the Register of Deeds of Negros Occidental. No new contract of lease was executed for these additional areas.

When the contract of lease expired after the crop year 1997-1998, Lajave continued to use and occupy the sugar farms in Hacienda San Isidro in Silay City without any renewal or extension of the contract. Agustin alleged that Lajave's occupancy was merely tolerated. Lajave paid Agustin the annual compensation for the use and occupancy of the said properties, but the latter alleged that they were never apprised of how the annual rental was determined and the payment of lease rentals was more often delayed.

Thus, on March 1, 2010, Agustin sent a demand letter<sup>6</sup> to Lajave to vacate the property in Silay City. The same demand to vacate was reiterated in a letter<sup>7</sup> dated March 5, 2012. Subsequently, on March 5, 2012, Agustin also sent a demand letter<sup>8</sup> to Lajave to vacate the property in Talisay City. However, despite demands to vacate the subject properties, Lajave continued to occupy the latter.

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<sup>4</sup> *Rollo*, pp. 106-108.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 109-110.

<sup>7</sup> *Id.* at 111.

<sup>8</sup> *Id.* at 147.

Thus, on March 26, 2012, Agustin and his wife Florence Apilis-Javellana filed a Complaint<sup>9</sup> for unlawful detainer in the Municipal Trial Court in Cities (MTCC), Silay City, docketed as Civil Case No. 1149-C, involving the property in Hacienda San Isidro, Silay City. On July 16, 2012, Agustin filed another Complaint<sup>10</sup> for unlawful detainer in the MTCC, Talisay City, docketed as Civil Case No. (12)-925, pertaining to the property in Hacienda Sta. Maria, Talisay City. Both cases were dismissed for lack of jurisdiction to try the case (Civil Case No. 1149-C) and lack of cause of action and jurisdiction (Civil Case No. 12-925).

Agustin also claimed that from January 22, 2003 to June 25, 2010, Lajave paid the total amount of ₱928,928.27 only as rentals for the use and occupancy of the leased property in Silay City. However, Agustin averred that based on the statistics provided by the Sugar Regulatory Administration on the national average millsite composite price of sugar, Lajave should have paid the total amount of ₱1,253,423.15, thus, there is still an unpaid balance of ₱324,494.88.

Consequently, on September 24, 2012, *albeit* the pendency of the unlawful detainer cases, Agustin and his wife also filed a Complaint<sup>11</sup> for collection of sum of money, docketed as Civil Case No. 12-41648 representing the deficiency in rentals paid for Lajave's use and occupancy of the properties covering the period 2000-2001 up to 2008-2009.

On October 29, 2012, Lajave filed a Motion to Dismiss<sup>12</sup> on the following grounds: (1) the complaint violates the rules against splitting a single cause of action under Rule 2, Section 4 of the Rules of Court and *litis pendentia*; and (2) Agustin is guilty of forum shopping as there are other pending actions between the same parties for the same cause. It claimed that although described as a collection of sum of money, Lajave argued that it was, in fact, an action for compensation for the use and occupation of the properties which were already subject of the unlawful detainer cases. Thus, Lajave argued that the complaint for collection of money should be dismissed on the ground of *litis pendentia*, stating that the parties, the rights asserted and reliefs sought in this complaint are one and the same with the unlawful detainer cases pending before the courts in Silay City and Talisay City.

On November 5, 2012, Agustin filed an Opposition (to the Motion to Dismiss)<sup>13</sup> where he argued that there is no splitting of cause of action and no violation of *litis pendentia*, since the damages sought to be recovered in the complaint for collection of sum of money have no direct relation to their

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<sup>9</sup> *Id.* at 58-66.

<sup>10</sup> *Id.* at 117-123.

<sup>11</sup> *Id.* at 151-159.

<sup>12</sup> *Id.* at 178-197.

<sup>13</sup> *Id.* at 198-220.



loss of material possession because they were sustained prior to the time when Lajave's possession of the leased premises became unlawful.

On December 10, 2012, the Metropolitan Trial Court (*MeTC*) of Quezon City, Branch 38, issued an Order<sup>14</sup> granting Lajave's motion to dismiss, and dismissed the complaint for collection of sum of money. The trial court ruled that the deficiency in rentals of the property leased by Lajave for the crop years 2000-2001 to 2008-2009 must be recovered in the ejectment suits and the present suit cannot be allowed to prosper as it would violate the rule on splitting of cause of action.

On October 14, 2013, on appeal, the Regional Trial Court of Quezon City, Branch 84, affirmed with modification the *MeTC*'s ruling.<sup>15</sup> The dispositive portion of the Decision reads:

WHEREFORE, in light of the foregoing considerations, the Order of Dismissal of the Court *a quo* is hereby AFFIRMED with modification, that the Dismissal is without prejudice.

SO ORDERED.

Petitioner's motion for reconsideration was, likewise, denied in the Order dated March 5, 2014.

Unperturbed, petitioners filed a petition for review under Rule 42 of the Rules of Court before the Court of Appeals.

In the assailed Decision dated August 28, 2015, the Court of Appeals set aside the Decision dated October 14, 2013 and the Order dated March 5, 2014. The dispositive portion of the Court of Appeals Decision reads:

IN VIEW OF ALL THE FOREGOING, the instant petition is GRANTED. The assailed Decision dated October 14, 2013 and the Order dated March 5, 2014 are SET ASIDE. The Metropolitan Trial Court (*MeTC*) of Quezon City, Branch 38, is hereby ordered to conduct further proceedings in Civil Case No. 38-41648 with deliberate dispatch.

SO ORDERED.<sup>16</sup>

Thus, the instant appeal before us raising the following arguments:



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<sup>14</sup> *Id.* at 221-223.

<sup>15</sup> *Id.* at 224-231.

<sup>16</sup> *Id.* at 53.

## I

UNDER PREVAILING LAW AND SETTLED JURISPRUDENCE ON EJECTMENT ACTIONS BROUGHT UNDER RULE 70 OF THE RULES OF COURT, ARREARS IN RENTALS/COMPENSATION FOR THE USE AND OCCUPATION OF THE LEASED PREMISES ARE "DAMAGES" WHICH SHOULD BE RECOVERED IN THE ACTION FOR UNLAWFUL DETAINER INSTITUTED BY THE LANDOWNER TO EJECT THE ALLEGED DEFORCIANT FROM THE PREMISES. THE QUESTIONED DECISION OF THE COURT OF APPEALS ALLOWING RESPONDENT SPOUSES' PURSUIT OF AN INDEPENDENT ACTION FOR "COLLECTION OF SUM OF MONEY" IN MTC QUEZON CITY NOTWITHSTANDING THE EXISTENCE OF THE UNLAWFUL DETAINER CASES IN MTCC SILAY AND MTCC TALISAY INVOLVING THE SAME PARTIES AND PROPERTIES IS THEREFORE BLATANTLY NOT IN ACCORD WITH THE LAW OR WITH THE APPLICABLE DECISIONS OF THE SUPREME COURT AS TO CALL FOR THE EXERCISE OF REVIEW POWERS BY THE HONORABLE COURT.

## II

CONSIDERING THE COURT'S ABHORRENCE FOR SPLITTING CAUSES OF ACTION AND MULTIPLICITY OF SUITS AS BEING CONTRARY TO THE OBJECT OF THE RULES OF AFFORDING LITIGANTS A JUST, SPEEDY, AND INEXPENSIVE ADJUDICATION OF THEIR DISPUTES, THE COURT OF APPEALS' REFUSAL TO AFFIRM THE ORDERED DISMISSAL OF RESPONDENT SPOUSES' COLLECTION CASE IN MTC QUEZON CITY CONSTITUTES A DEPARTURE FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS WHICH EMINENTLY WARRANTS CORRECTION BY THE HONORABLE COURT.

## III

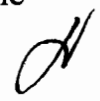
THE PECULIAR FACTS OF THE CASE ESTABLISH A CLEAR CASE OF FORUM-SHOPPING IN VEXATIOUS MULTIPLE SUITS BEFORE VARIOUS FORUMS AS TO WARRANT THE OUTRIGHT DISMISSAL OF THE COLLECTION CASE BELOW. THIS WAS INEXPLICABLY OVERLOOKED OR OTHERWISE IGNORED BY THE COURT OF APPEALS IN PLAIN DISREGARD OF THE EXPRESS LAW AND JURISPRUDENCE ON THE MATTER, DESERVING CORRECTION IN THE PRESENT REVIEW PROCEEDINGS.<sup>17</sup>

Lajave asserted that the complaint for collection of sum of money violated the rules against splitting a single cause of action. It argued that the complaint for collection of money should be dismissed on the ground of *litis pendentia* because the parties, the rights asserted and reliefs sought in the complaint for collection of sum of money were one and the same with the unlawful detainer cases pending before the courts in Silay City and Talisay City.

On the other hand, Agustin claimed that in the unlawful detainer cases, the damages being prayed for pertained to the unpaid rentals for the

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<sup>17</sup> *Id.* at 22-23.



crop years 2009-2010 and 2010-2011 and every crop year thereafter which were directly related to their loss of material possession after Lajave refused to heed their demand to vacate the subject properties. While in the complaint for collection of sum of money, Agustin asserted that his cause of action was to recover differential payment in view of Lajave's payment of incorrect amount of rentals, and has no direct relation to their loss of material possession of the leased properties since the damages were sustained *prior* to the time when Lajave's possession of the leased properties became unlawful.

In a nutshell, the issue is whether, during the pendency of Agustin's complaints for unlawful detainer, he can also independently maintain an action for collection of sum of money which allegedly stemmed from incidents occurring *before* the possession by Lajave of the leased properties became unlawful, without violating the prohibition on splitting of a single cause of action, *litis pendentia* and forum shopping.

Stated otherwise, did 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.

To lay down the basics, *litis pendentia*, as a ground for the dismissal of a civil action, refers to that situation wherein another action is pending, between the same parties for the same cause of action, such that the second action becomes unnecessary and vexatious. For the bar of *litis pendentia* to be invoked, the following requisites must concur: (a) identity of parties, or at least, such parties as represent the same interests in both actions; (b) identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) the identity of the two preceding particulars is such that any judgment rendered in the pending case, regardless of which party is successful would amount to *res judicata* in the other.<sup>18</sup>

The underlying principle of *litis pendentia* is the theory that a party is not allowed to vex another more than once regarding the same subject matter and for the same cause of action. This theory is founded on the public policy that the same subject matter should not be the subject of controversy in courts more than once, in order that possible conflicting judgments may be avoided for the sake of the stability of the rights and status of persons, and also to avoid the costs and expenses incident to numerous suits. Consequently, a party will not be permitted to split up a single cause of action and make it a basis for several suits as the whole cause must be determined in one action. To be sure, splitting a cause of action is a mode of

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*Brown-Araneta v. Araneta*, 719 Phil. 293, 316 (2013); *Yap v. Chua*, 687 Phil. 392, 400 (2012).

forum shopping by filing multiple cases based on the same cause of action, but with different prayers, where the ground of dismissal is *litis pendentia* (or *res judicata*, as the case may be).<sup>19</sup>

Applying this concept of *litis pendentia*, Lajave asserts that Agustin is guilty of forum shopping. It argued that the complaint for collection of sum of money should be dismissed on the ground of *litis pendentia* and forum shopping because the parties, the rights asserted and reliefs sought in the complaint for sum of money are one and the same with the unlawful detainer cases pending before the courts in Silay City and Talisay City.

However, in determining whether a party violated the rule against forum shopping, the most important factor to consider is whether the elements of *litis pendentia* concur, to reiterate: "(a) [there is] identity of parties, or at least, such parties who represent the same interests in both actions; (b) [there is] identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) [that] the identity with respect to the two preceding particulars in the two cases is such that any judgment that may be rendered in the pending case, regardless of which party is successful, would amount to *res judicata* in the other case."

In the instant case, a perusal of the records shows that the *second* and *third requirements* are lacking. While the complaints appear to involve the 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.

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

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<sup>19</sup> *Marilag v. Martinez*, 764 Phil. 576, 586 (2015).



property, and *not* the damages which he may have suffered but which have no direct relation to his loss of material possession.<sup>20</sup>

While the court has the authority to fix the reasonable value for the continued use and occupancy of the premises, the said authority can only be exercised after termination of the lease contract. During the term of the lease contract, the agreement therein is binding to the parties to the contract.

In the instant case, insofar 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 to 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.

Moreover, in unlawful detainer, the recoverable damages are reckoned from the time the possession of the property becomes unlawful. In the instant case, the initial demand to vacate was only made on March 1, 2010, thus, it was only after said demand that Lajave's continued possession of the leased properties became unlawful. Prior to the lapse of the fifteen-day period to vacate the property as stated in the demand letter, the damages sustained from January 2003 to February 2010 do not have a direct relation to Agustin's loss of material possession since they do not result from Lajave's refusal to vacate the leased premises. These damages must be claimed in an ordinary action, as in the subject complaint for collection of sum of money.

The ratiocination of the Court of Appeals is enlightening, to wit:

The Court observes, however, that these rentals in arrears or back rental which the trial court can award in ejectment cases pertain to rentals with specific or determinable amount from the time the cause of action for illegal detainer accrued.

The case before Us is different. The deficiency in rentals cannot be ascertained during the crop years 2000-2001 up to 2008-2009 for it was only in 2012 that petitioners discovered that respondent had a shortfall in the payment of rentals based on the data provided by the Sugar Regulatory Administration on the composite price of sugar. Before 2009, petitioner has

<sup>20</sup> *Araos v. Court of Appeals*, 302 Phil. 813, 819 (1994); *C & S Fishfarm Corporation v. Court of Appeals, et al.*, 442 Phil. 279, 292 (2002); *Dumo v. Espinas*, 515 Phil. 685, 692 (2006).



no cause of action for illegal detainer against private respondent. Thus, We agree with the contention of petitioners that the damages recoverable in an ejectment case must have a direct relation to the loss of material possession giving rise to an action for illegal detainer. These are damages caused by the loss of the use and possession of the premises. As We have explained, the deficiency in rentals could not be included in the damages to be awarded in the ejectment cases for these were sustained prior to the dispossession or the unlawful withholding of possession by respondent which happened only after 2009 when they failed to pay the rentals and heed the demand to pay and vacate.<sup>21</sup>

In the case of *Proguard Security Services Corporation v. Tormil Realty and Development Corporation*,<sup>22</sup> the Court was instructive as to the reckoning period of the recovery of damages in unlawful detainer:

“While indeed Tormil, as the victor in the unlawful detainer suit, is entitled to the fair rental value for the use and occupation of the unit in the building, such compensation **should not be reckoned from the time Pro-Guard began to occupy the same, but from the time of the demand to vacate.** **“In unlawful detainer cases, the defendant is necessarily in prior lawful possession of the property but his possession eventually becomes unlawful upon termination or expiration of his right to possess.”** In other words, the entry is legal but the possession thereafter became illegal.  
x x x<sup>23</sup>

Suffice it to say, an action for collection of sum of money may not be properly joined with the action for ejectment. The former is 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. The joinder of the two actions is specifically enjoined by Section 5, Rule 2 of the Rules of Court, which provides:

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

<sup>21</sup> *Rollo*, pp. 52-53.

<sup>22</sup> 738 Phil. 417 (2014).

<sup>23</sup> *Id.* at 425-426. (Emphasis ours).


(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. [Underscoring supplied.]

Indeed, in the instant case, Agustin's filing of a complaint for collection of sum of money other than those sustained as a result of their dispossession or those caused by the loss of their use and occupation of their properties could not thus be considered as splitting of a cause of action. The cause of action is different. There is no splitting of action because the complaint for collection of money prays for the payment of the differential amount representing the unpaid balance in rental fees after the deduction of the actual payment made by Lajave. Since the damages prayed for in the collection case before the MeTC pertain to deficiency in the rental payments for the contested period before the dispossession, the claims have no direct relation to the loss of possession of the premises. Insofar as the collection case is concerned, Agustin's claim had to do with Lajave's deficiency in the payment of rentals only, without regard to the unlawfulness of the occupancy. This cannot be litigated in the ejectment suits before the MeTC by reason of *misjoinder of causes of action*.

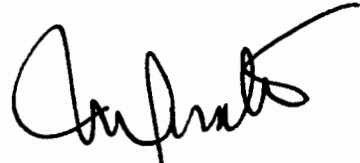
As to the third requisite of *litis pendentia* - that the identity between the pending actions, with respect to the parties, rights asserted and reliefs prayed for, is such that any judgment rendered on one action will, regardless of which is successful, amount to *res judicata* in the action under consideration - the same is not present, hence, *litis pendentia* may not be invoked to dismiss Agustin's complaint for collection of sum of money.

*Res judicata* will not apply because the court in an unlawful detainer case has no jurisdiction over claims for damages other than the use and occupation of the premises and attorney's fees. Agustin's filing of an independent action for collection of sum of money other than those sustained as a result of their dispossession or those caused by the loss of their use and occupation of their properties could not thus be considered as splitting of a cause of action. The causes of action in the subject cases are not the same; the rights violated are different; and the reliefs sought are also different. Hence, Civil Case No. 12-41648 stands to be reinstated and remanded to the Metropolitan Trial Court of Quezon City for further proceedings.

**WHEREFORE**, the petition is **DENIED**. The Decision dated August 28, 2015 and the Resolution dated March 21, 2016 of the Court of Appeals in CA-G.R. SP No. 134659 are hereby **AFFIRMED**. Civil Case No. No. 12-41648 is **REINSTATED** and **REMANDED** to the Metropolitan Trial Court of Quezon City, Branch 38, for further proceedings.

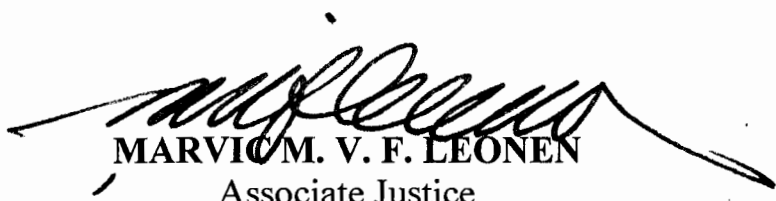


**SO ORDERED.**



**DIOSDADO M. PERALTA**  
Associate Justice

**WE CONCUR:**



**MARVIC M. V. F. LEONEN**  
Associate Justice

On wellness leave  
**ALEXANDER G. GESMUNDO**  
Associate Justice


On wellness leave  
**JOSE C. REYES, JR.**  
Associate Justice



**RAMON PAUL L. HERNANDO**  
Associate Justice

**ATTESTATION**

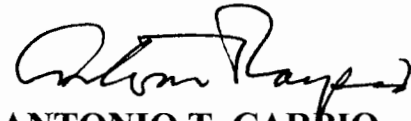
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



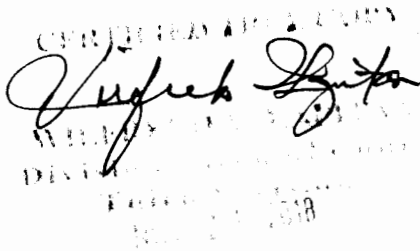
**DIOSDADO M. PERALTA**  
Associate Justice  
Chairperson, Third Division

**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.



**ANTONIO T. CARPIO**  
Senior Associate Justice  
(Per Section 12, Republic Act  
No. 296, The Judiciary Act of  
1948, as amended)



COURT OF APPEALS  
JUDGE GUINTO  
DIVISION