



SUPREME COURT OF THE PHILIPPINES
PUBLIC INFORMATION OFFICE

RECEIVED
FEB 21 2022

Republic of the Philippines
Supreme Court
Manila

BY: *[Signature]*
TIME: _____

THIRD DIVISION

**FLORANTE VILLAROMAN and
CARLOS VILLAROMAN,**
Petitioners,

G.R. No. 210822

Present:

- versus -

LEONEN, J.,
Chairperson,
HERNANDO,
INTING,
DELOS SANTOS, and
LOPEZ, J. Y., *JJ.*

**ESTATE OF JOSE ARCIAGA and
FELICIDAD FULGENCIO**
represented by their heirs,
**ANICIA, DANILO, ROMEO,
ORLANDO, MERCEDITA,
EULALIA, ADRIANO,
FERNANDO, and EDGARDO,** all
surnamed **ARCIAGA,**
Respondents.

Promulgated:

June 28, 2021

Mis-DCBatt

X ----- X

DECISION

HERNANDO, J.:

This Petition for Review on *Certiorari*¹ seeks the reversal of the September 17, 2013 Decision² and the January 7, 2014 Resolution³ of the Court of Appeals (CA) in CA-G.R. No. 94721, which granted the respondents' appeal and dismissed the petitioners' complaint for specific performance in Civil Case No. 00-113 on grounds of *res judicata* and forum shopping.

¹ *Rollo*, pp. 3-32.

² *Id.* at 34-52. Penned by Associate Justice Danton Q. Bueser and concurred in by Associate Justices Amelita G. Tolentino and Ramon R. Garcia.

³ *Id.* at 54-55.

Factual Antecedents:

Petitioners Florante Villaroman and Carlos Villaroman are the heirs of Agrifina Cawili Vda. De Villaroman (Agrifina). Respondents, on the other hand, are the heirs of Jose Arciaga (Jose), one of the registered owners of a parcel of land known as Lot 965, Friar Land Estate, with an area of 950 square meters and previously covered by Transfer Certificate Title (TCT) No. S-59600 and registered with the Registry of Deeds of the Province of Rizal.⁴

On September 4, 1968, Jose sold a 300-square meter portion of Lot 965 to Ricardo Florentino (Florentino) for ₱6,000.00, as evidenced by a *Kasunduan ng Bilihan* dated September 4, 1968.⁵ The said *Kasunduan ng Bilihan* states in part:

Na matapos na pagtibayin ito ang UNANG BAHAGI ay tatanggap sa IKALAWANG BAHAGI ng halagang LIMANG LIBO (₱5,000.00) PISO, Salaping Pilipino, bilang paunang bayad:

Na ang natitirang ₱1,000.00 hulihan o para sa hustong kabayaran ng nabanggit na lupa ay babayaran ng IKALAWANG BAHAGI matapos na kaniyang tanggapin sa UNANG BAHAGI ang titulo na nakatala na sa kanilang pangalan x x x⁶

On January 8, 1969, Florentino paid the remaining balance of ₱1,000.00 to Jose's wife, Felicidad Fulgencio (Felicidad).⁷ Despite full payment of the purchase price, Jose allegedly failed to deliver and transfer the title of the 300-square meter portion of Lot 965 in the name of Florentino.

Subsequently, on January 12, 1971, Florentino sold the said 300-square meter portion of Lot 965 to Agrifina, as evidenced by a *Kasulatang Tapos at Lubos na Bilihan ng Piraso ng Lupa* dated January 12, 1971.⁸ In view of her purchase of the subject property, Agrifina erected her house thereon and other improvements, such as a three-door apartment and a store. The title to the property had not been transferred to either Florentino or Agrifina even after Jose's demise on November 25, 1976.⁹

**Complaint for Annulment of
Deed of Absolute Sale,
Reconveyance of Real Property;
Civil Case No. 11993.**

⁴ Id. at 34-35.

⁵ Id. at 74-75

⁶ Id.

⁷ Id. at 77.

⁸ Id. at 79-80

⁹ Id. at 35.

After the death of Jose, his wife, Felicidad, together with Jose's brother, Alfredo Arciaga (Alfredo), caused the execution of a *Kasulatan ng Bilihang Ganap* dated April 2, 1980,¹⁰ which involved the absolute sale of Lot 965 in favor of Agrifina, a certain Emilia Fresnedi (Emilia), and Artemio Arciaga (Artemio). Notably, the same agreement was executed and signed by Felicidad, Alfredo, *including Jose*, among others, on April 2, 1980, or four years after Jose's death in 1976.¹¹

By virtue of the said *Kasulatan ng Bilihang Ganap*, a certificate of title covering the 300-square meter portion of Lot 965 was issued in the name of Agrifina under TCT. No. 138549.¹² Meanwhile, titles over the remaining 550-square meter and 100-square meter portions of Lot 965 were transferred in the names of Emilia and Artemio, respectively.

Respondents thus lodged a complaint for Annulment of Deed of Absolute Sale, Reconveyance of Real Property with Damages¹³ with the Regional Trial Court (RTC), Branch 56 of Makati City, docketed as Civil Case No. 11993, against Agrifina and her co-defendants Emilia and Artemio, on the ground that the *Kasulatan ng Bilihang Ganap* dated April 2, 1980 is falsified and, therefore, cannot validly serve as basis for the issuance of titles in their names. By way of an Answer with Counterclaim for Damages, Agrifina and her co-defendants insisted that respondents are bound to respect their title of ownership over the property by virtue of the Deeds of Sale executed by Jose in their favor sometime in 1968 and 1969.¹⁴

In a November 20, 1991 Decision,¹⁵ the RTC of Makati, Branch 143, dismissed respondents' complaint. Interestingly, the RTC made no categorical ruling on the validity of *Kasulatan ng Bilihang Ganap* dated April 2, 1980. However, it found that the transactions between Jose and Agrifina and her co-defendants prior to the execution of the *Kasulatan ng Bilihang Ganap* dated April 2, 1980 were "fair and regular."¹⁶

On appeal, docketed as CA-CV. G.R. No. 37124, the CA rendered its Decision¹⁷ on January 30, 1997, which reversed and set aside the November 20, 1992 Decision of the RTC in Civil Case No. 11993. It held that the *Kasulatan ng Bilihang Ganap* dated April 2, 1980 was falsified and therefore, void.

¹⁰ Id. at 82-83.

¹¹ Id. at 83.

¹² Id. at 36.

¹³ Id. at 84-87.

¹⁴ See Records, p. 20.

¹⁵ *Rollo*, p. 66-unpaginated. Penned by Assisting Judge Benjamin P. Martinez.

¹⁶ Id. at 72.

¹⁷ *CA rollo*, pp. 192-198. Penned by Associate Justice Eubulo G. Verzola, with Associate Justices Jesus M. Elbinias and Hilarion L. Aquino, concurring.

The pertinent portions of the appellate court's Decision read, as follows:

It appears from the record that said absolute deed of sale was executed on April 2, 1980. On the other hand Jose Arciaga, the vendor of the parcel of land in dispute, died on November 25, 1976. Neither of these facts are disputed by the parties. Clearly, therefore, the absolute deed of sale bearing Jose Arciaga's signature cannot assume any semblance of validity.¹⁸

The CA also found that the agreement between Jose and Artemio and the *Kasunduan ng Bilihan* dated September 4, 1968 between Jose and Florentino did not transfer actual ownership of certain portions of Lot 965 in favor of Artemio and Florentino, as both contracts merely gave them the "right to the transfer or acquisition of ownership." The appellate court also found that no contract of sale existed between Jose and Emilia that would prove the latter's ownership over the 550-square meter portion of Lot 965. The pertinent portions of the Decision read:

It is not disputed that the appellees and Jose Arciaga executed several "Kasunduan ng Bilihan" providing for sales on installment of the parcels of land in dispute. As averred by the appellees, that contract of sale between Jose Arciaga and the appellees is deemed perfected as there was a meeting of the minds as to the cause, object and consideration. On this point, the lower court did not err in presuming that the transaction evidenced by the documents entitled "Kasunduan ng Bilihan" have been fair and regular. But the perfection of the contract cannot be equated with transfer of title which can only occur after fulfillment of the terms of the contract.

x x x x

A review of these provisions indicate that the parties did not intend to transfer title upon execution of the contract. As such, these documents [cannot] be the basis for the transfer of title in the absence of proof of full payment. In fact, refusal of the deceased Jose Arciaga to cause the transfer of title to the appellees could have been based on their unwillingness to make complete payment for the property. Conversely, considering the provision that full payment shall be made upon transfer of title, the possibility exists that the appellees have withheld full payment because of the failure of Jose Arciaga to transfer title. These contracts, therefore, constitute only a right to the transfer or acquisition of ownership.

Even assuming, as appellees claim, that they have fulfilled all their obligations under the *Kasunduan ng Bilihan* the proper remedy was to file an action against Jose Arciaga or his heirs for specific performance, not to execute, as they did, a falsified document.

x x x x

No sufficient evidence having been adduced to prove that the appellees have performed their obligations under the contracts of sale on installment, or that there was, in fact, a contract between Jose Arciaga and the appellee Emilia

¹⁸ Id. at 194-195.

Fresnedi, we are compelled to order the conveyance of the parcels of land in dispute to the estate of Jose Arciaga without prejudice to the appellees' right to establish their claim in a separate action.¹⁹

After the appeal of Agrifina, Emilia, and Artemio was denied by this Court on a technicality, the above-quoted January 30, 1997 Decision of the CA became final and executory on March 7, 2000.²⁰

Complaint for specific performance; Civil Case No. 00-113

Taking cue from the January 30, 1997 Decision of the CA relative to Civil Case No. 11993, petitioners filed the instant complaint²¹ for specific performance against respondents. Petitioners prayed, among others, that respondents "[e]xecute the appropriate documents, particularly [a] Deed of Absolute Sale, to affirm and confirm the past transactions entered into by the parties and to effect the formal transfer of the said property to [petitioners]."²² Petitioners based their alleged ownership rights over the 300-square meter portion of Lot 965 on the following documents: (1) the *Kasunduan ng Bilihan* dated September 4, 1968 between Jose and Florentino; and (2) the *Kasulatang Tapos at Lubos Na Bilihan Ng Lupa* dated January 12, 1971 between Florentino and Agrifina.

Respondents filed with the RTC a Motion to Dismiss on the ground of *res judicata*. They filed a second Motion to Dismiss and raised an additional ground of forum shopping. However, both motions were dismissed by the RTC.²³

Respondents also filed their Answer with the RTC, where they raised the defenses of *res judicata* and forum shopping.²⁴

Ruling of the Regional Trial Court:

On October 28, 2009, the RTC of Muntinlupa City, Branch 256, rendered its Decision²⁵ in favor of petitioners. The dispositive portion of the Decision reads:

¹⁹ Id. at 195-197.

²⁰ Id. at 199-200.

²¹ *Rollo*, 89-96.

²² Id. at 95.

²³ Records, pp. 51-75; 74.

²⁴ Id. at 77-83.

²⁵ *Rollo*, pp. 57- 64; penned by Judge Romulo SG. Villanueva.

WHEREFORE, premises considered, judgement is hereby rendered in favor of herein plaintiffs against defendants, ordering defendants as follows:

1. To execute the appropriate document particularly the Deed of Sale in favor of the plaintiffs over the 300 square meters of Lot 956, to affirm and confirm the past transactions entered into by the parties and to effect the normal transfer of said property to the plaintiffs.

2. To pay plaintiffs attorney's fees in the amount of Php100,000.00.

Costs of the suit.

SO ORDERED.²⁶

The RTC held that there was no *res judicata* or a violation of the prohibition against forum shopping. The trial court found that while the CA, in its January 30, 1997 Decision, disposed and resolved the invalidity of the *Kasulatan ng Bilihang Ganap* dated April 2, 1980, such finding was without prejudice to the right of petitioners, as successors-of-interest of Agrifina, to assert their rights over the 300-square meter portion of Lot 956 in a separate action based on the *Kasunduan ng Bilihan* dated September 4, 1968 executed by Jose in favor of Florentino, and the *Kasulatang Tapos at Lubos na Bilihan ng Piraso ng Lupa* dated January 12, 1971 between Florentino and Agrifina involving the same property.²⁷ In this regard, the RTC held:

x x x x The decision did not annul said document. Neither did it annul the "Kasunduan ng Bilihan" executed by Jose Arciaga in favor of Ricardo Florentino. It merely touched on the title issued to [Agrifina] Villaroman and its [basis] the null and void deed of absolute sale. Accordingly, petitioners still possess the same rights they had over the subject property prior to the execution of the null and void deed of absolute sale. x x x²⁸

The RTC further held that the *Kasunduan ng Bilihan* dated September 4, 1966 was a perfected contract of sale. Since ownership of the subject property was transferred to Florentino by virtue of said agreement, the respondents were bound by it as successors-in-interest of Jose. Along the same line, the trial court held that, by virtue of the *Kasulatang Tapos at Lubos na Bilihan ng Piraso ng Lupa*, the subsequent sale of the property on January 12, 1971 between Florentino and Agrifina was likewise a perfected contract of sale. Consequently, all the rights and interest of Florentino over the property were transferred to Agrifina as the lawful owner thereof.²⁹

Aggrieved, respondents appealed the Decision of the RTC to the CA.

²⁶ Id. at 64.

²⁷ Id. at 62.

²⁸ Id. at 64.

²⁹ Id. at 62-63.

Ruling of the Court of Appeals:

In its assailed September 17, 2013 Decision,³⁰ the CA granted respondents' appeal and ordered the dismissal of petitioners' complaint on the grounds of *res judicata* and forum shopping. The dispositive portion of the Decision states:

WHEREFORE, in view of the foregoing, the Decision dated October 29, 2009 rendered by the Regional Trial Court of Muntinlupa City, Branch 256, is hereby **SET ASIDE**. The Complaint filed by plaintiffs is **DISMISSED**.

SO ORDERED.³¹

The CA found that all the elements of *res judicata* in the concept of bar by prior judgment attended the suits involving the parties. Specifically, the appellate court held that there was identity of parties, subject matter, and causes of action between Civil Case No. 11993, from where CA G.R. No. 371224 arose, and Civil Case No. 00-113, thus:

There is identity of parties. In Civil Case No. 11993, the plaintiffs therein were the heirs of Jose Arciaga while the defendants were, among others, Agrifina Cawili Vda. De Villaroman, the mother of Florante Villaroman and Carlos Villaroman who are the plaintiffs in Civil Case No. 00-113. In Civil Case No. 00-113, the plaintiffs were Florante Villaroman and Carlos Villaroman, heirs of Agrifina Cawili Vda. De Villaroman, while defendants were the heirs of Jose Arciaga.

x x x x

There is also identity of subject matter. Civil Case No. 11993 and Civil Case No. 00-113 both involved herein appellants' rights and interests over the subject property as [Agrifina's] legitimate children and compulsory heirs.

x x x x

Finally, there is identity of causes of action.

x x x x The cause of action in Civil Case No. 11993 is the sale of the entire subject property by Felicidad Fulgencio, wife of Jose Arciaga, though Jose was already deceased, to Emilia Fresnedi, Artemio Arciaga, and Agrifina Cawili Vda. De Villaroman, mother of herein appellants, without appellees' knowledge and consent, hence, depriving appellees of their rights and interests over their share in the subject property. The annulment of the sale of the subject property and the claim for damages should not be misconstrued to be the causes of action, but were remedies and reliefs prayed for by appellees to redress the wrong allegedly committed against them.

³⁰ Supra note 2.

³¹ Rollo, p. 51.

On the other hand, the allegations in appellants' Complaint in Civil Case No. 00-113 impresses upon us that the cause of action therein was appellee's refusal to heed to appellants' demands to execute a deed of sale, which would confirm the sale and effect the formal transfer to appellants of the property in question – the very same cause of action at the core of Civil Case No. 11993.³²

Applying the above-findings, the CA also held that petitioners committed forum shopping when they filed the complaint for specific performance with the RTC.³³

Delving into the merits of the instant case, the appellate court ruled that considering Florentino's failure to pay the last installment of ₱1,000.00, the sale of the 300-square meter portion of Lot 965 was never consummated between Jose and Florentino notwithstanding the *Kasunduan ng Bilihan* dated September 4, 1968. As such, no ownership over the said property was transferred to Florentino. The CA thus held that “[i]nasmuch as the sale of the [property] had never been consummated, the instant complaint against [respondents] for specific performance praying for the confirmation of the sale and the execution of the corresponding deed of sale has no basis and, thus, unwarranted.”³⁴

Petitioners moved for the reconsideration of the Decision. However, the CA denied its motion in its January 7, 2014 Resolution.³⁵ Hence, the instant Petition.

Issues

Petitioners raised the following assignment of errors in their petition:

I.

THE PUBLIC RESPONDENT COURT OF APPEALS MISAPPRECIATED THE FACTS AND MISAPPLIED THE LAW WHEN IT RULED THAT THERE IS IDENTITY IN THE CAUSES OF ACTION BETWEEN CIVIL CASE NO. 11993 FILED BEFORE THE RTC BRANCH 56 OF MAKATI CITY AND THE SUBSEQUENT CIVIL CASE NO. 00-113 BEFORE THE RTC BRANCH 256 OF MUNTINLUPA CITY, TO WARRANT A FINDING OF RES JUDICATA IN THE CONCEPT OF BAR BY PRIOR JUDGMENT IN CIVIL CASE NO. 00-113.

II.

PUBLIC RESPONDENT COURT OF APPEALS FAILED TO PAY OBEISANCE TO THIS HONORABLE COURT'S RULING IN THE 2009 CASE OF AGUSTIN V. DELOS SANTOS RESTRICTING THE

³² Id. at 45-46.

³³ Id. at 46.

³⁴ Id. at 51.

³⁵ Supra note 3.

APPLICATION OF THE DOCTRINE OF RES JUDICATA IN ONLY THOSE CLEAR AND PROPER CASES, WHICH IS NOT PROVEN IN CIVIL CASE NO. 00-113.

III.

THE PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ERRED IN RULING THAT THERE WAS NO PERFECTED CONTRACT OF SALE BETWEEN THE PARTIES' PREDECESSOR-IN-INTEREST HEREIN DESPITE THE EXISTENCE OF THE HANDWRITTEN RECEIPT DATED JANUARY 8, 1969 EVIDENCE FULL PAYMENT OF THE PURCHASE PRICE IN THE *KASUNDUAN NG BILIHAN* DATED SEPTEMBER 4, 1968, GIVING PETITIONERS THE RIGHT TO ENFORCE IT AGAINST PRIVATE RESPONDENTS.³⁶

Petitioners' arguments:

Petitioners maintain that *res judicata* is not applicable because the cause of action in Civil Case No. 11993 was grounded on the nullification of the spurious *Kasulatan ng Bilihang Ganap* dated April 2, 1980, whereas the cause of action in the complaint for specific performance was grounded on two other documents, namely: (1) the *Kasunduan ng Bilihan* dated September 4, 1968 between Jose and Florentino; and (2) the *Kasulatang Tapos at Lubos Na Bilihan Ng Lupa* dated January 12, 1971 between Florentino and Agrifina. Petitioners also argue that the RTC and CA touched on the issue of validity of the aforesaid documents in Civil Case No. 11993 only for the purpose of establishing the sales transaction preceding the execution of the *Kasulatan ng Bilihang Ganap* dated April 2, 1980.³⁷

Assuming without conceding that *res judicata* applies, petitioners take exception thereto, taking into consideration the case of *Agustin v. Spouses Delos Santos*.³⁸

Petitioners further insist that the CA erred in holding that there was no consummated sale between Jose and Florentino. They aver that the provisions of the *Kasunduan ng Bilihan* dated September 4, 1968 clearly reveal the intention of Jose to immediately transfer title of the property to Florentino at the time of its execution, regardless of full payment of the property. Petitioners also insist that there was full payment of the purchase price of the property as evidenced by the handwritten receipt executed by Felicidad, Jose's wife, as to the remaining balance amounting to ₱1,000.00.³⁹

As ownership over the property already passed to Florentino at the time the parties executed the *Kasunduan ng Bilihan* dated September 4, 1968, he was the lawful owner of the property and can transfer the same to Agrifina

³⁶ *Rollo*, pp. 11-12.

³⁷ *Id.* at 12-19.

³⁸ 596 Phil. 630 (2009).

³⁹ *Id.* at 21-27.

through the *Kasulatang Tapos at Lubos Na Bilihan Ng Lupa* dated January 12, 1971. Thus, petitioners now implore this Court to order respondents to execute a deed of absolute sale that should finally confirm the past transactions entered into by and between the parties and effectively give effect to the formal transfer of the property in the names of petitioners.

Respondents' arguments

Respondents counter that the CA Decision dated January 30, 1997, in relation to Civil Case No. 11993, already constitutes *res judicata* based on the following:

First, Civil Case No. 11993 and Civil Case No. 00-113 have the same parties who represent the same interests, and involve a common issue and same cause of action. *Second*, petitioners presented the same evidence to prove their claims in both Civil Case No. 11993 and Civil Case No. 00-113. Significantly, the same evidence was already examined, reviewed, and passed upon by the CA in its January 30, 1997 Decision. *Third*, the January 30, 1997 Decision of the CA in relation to Civil Case No. 11993 already resolved, in part, that the sale between Jose and Florentino was not consummated for failure of the latter to make full payment of the purchase price of the property, and that ownership over the property in dispute properly belonged to respondents. Respondents also maintain that petitioners committed forum shopping when they commenced their complaint for specific performance with the RTC.⁴⁰

Our Ruling

There is no question that the CA, in its earlier January 30, 1997 Decision in CA-CV G.R. No. 37124 in relation to Civil Case No. 11993, definitively ruled that petitioners have no title over the subject property based on the *Kasulatan ng Bilihang Ganap* dated April 2, 1980. It found that it was falsified, and thus void and without legal effect.

While it is true that the complaint in Civil Case No. 11993 was grounded on the nullification of the *Kasulatan ng Bilihang Ganap* dated April 2, 1980, there is also no question that the RTC and CA, in the same civil case, examined and reviewed the other two documents subject of the instant complaint for specific performance – the *Kasunduan ng Bilihan* dated September 4, 1968, and the *Kasulatang Tapos at Lubos Na Bilihan Ng Lupa* dated January 12, 1971.

Interestingly, in Civil Case No. 11993, the RTC even found it futile to rule on the invalidity of the the *Kasulatan ng Bilihang Ganap* dated April 2,

⁴⁰ *Rollo*, pp. 108-119.

1980, considering that these two documents already served as sufficient proof of Agrifina's ownership over the subject property. Moreover, both the trial court and appellate court, in Civil Case No. 11993, were also in agreement that the transactions evidenced by the two documents were "fair and regular."

However, while the trial court, on one hand, found that Florentino made full payment of the purchase price of the 300-square meter portion of Lot 965, the appellate court, on the other hand, found that there was "absence of proof of full payment" for the said property. It is for this reason that the appellate court held in its January 30, 1997 Decision in Civil Case No. 11993 that aside from the factual finding that the *Kasulatan ng Bilihang Ganap* dated April 2, 1980 was void, the two other documents relied upon by the parties could not be relied upon as evidence of ownership over the subject property. At best, the *Kasunduan ng Bilihan* dated September 4, 1968, the very document from which petitioners' claim of ownership over the property flows, merely served as evidence of a personal right to have the title of the property transferred to their names.

Petitioners now come before this Court maintaining that they are the rightful owners of the property in question on account of the same documents presented before the RTC and CA in Civil Case No. 11993.

Considering the foregoing premises, the pivotal issue for resolution here is whether petitioners' complaint for specific performance was properly dismissed by the CA on the ground of *res judicata*.

We rule in the affirmative.

The complaint for specific performance is barred by *res judicata*.

Res judicata is defined as "a matter adjudged; a thing judicially acted upon or decided; or a thing or matter settled by judgment." Under this rule, a final judgment or decree on the merits by a court of competent jurisdiction "is conclusive as to the rights of the parties or their privies in all later suits, and on all points and matters determined in the former suit."⁴¹

The doctrine of *res judicata* embodied in Section 47, Rule 39 of the Rules of Court provides:

SEC. 47. *Effect of judgments or final orders.* —

⁴¹ *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, G.R. No. 209116, January 14, 2019 citing *Spouses Selga v. Brar*, 673 Phil. 581, 591 (2011).

The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

x x x x

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been [missed] in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

The above-quoted provision embraces two concepts of *res judicata*: (1) bar by prior judgment; and (2) conclusiveness of judgment,⁴² viz.:

[T]he elements of *res judicata* are: (1) the judgment sought to bar the new action must be final; (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the disposition of the case must be a judgment on the merits; and (4) there must be as between the first and second action, identity of parties, subject matter, and causes of action.⁴³ Should identity of parties, subject matter, and causes of action be shown in the two cases, then *res judicata* in its aspect as a "bar by prior judgment" would apply. If as between the two cases, only identity of parties can be shown, but not identical causes of action, then *res judicata* as 'conclusiveness of judgment.'⁴⁴

The Court finds that the subject case satisfies all the requisites of *res judicata* under the first concept of bar by prior judgment.

All the elements of *res judicata* are present.

There is no question as to the presence of the first three elements in the present case. The decision in Civil Case No. 11993 is a final judgment on the merits rendered by a court that had jurisdiction over the subject matter and over the parties.

Anent the fourth element, a careful examination of the allegations raised by the parties in Civil Case No. 11993 and Civil Case No. 00-113 shows that the cases involve the same parties and relate to the same subject matter. Specifically, in Civil Case No. 11993, the plaintiffs therein are the heirs of the

⁴² *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, id., citing *Oropeza Marketing Corp. v. Allied Banking Corp.*, 441 Phil. 551-569 (2002).

⁴³ *Lee v. Lui Man Chong*, 759 Phil. 531, 538 (2015).

⁴⁴ Id.

late Jose, while Agrifina, the mother of herein petitioners, is one of the defendants in the said case insofar as her claim over the 300-square meter portion of Lot 965 is concerned. Notably, Agrifina was eventually substituted by petitioners upon her demise on January 17, 1997.

In the instant case, the plaintiffs are herein petitioners as heirs of Agrifina, while defendants are the heirs of Jose. While we are aware that the subject matter in Civil Case No. 11993 comprised the whole area of Lot 965, Agrifina's property interest therein encompassed the 300-square meter portion of Lot 965, which is the very same subject matter involved in this case.

Finally, there is identity of causes of action between Civil Case No. 11993 and Civil Case No. 00-113. "A cause of action is understood to be the delict or wrongful act or omission committed by the defendant in violation of the primary rights of the plaintiff."⁴⁵

Verily, when respondents filed their Complaint for Annulment of the *Kasulatan ng Bilihang Ganap* dated April 2, 1980 with the RTC in Civil Case No. 11993, Agrifina and her co-defendants responded thereto by filing an Answer with Counterclaim for Damages with prayer that they be declared as the lawful owners of their respective portions of Lot 965. Jurisprudence on the matter is that a counterclaim raised by a defendant partakes of a nature of a complaint or a cause of action against a plaintiff.⁴⁶ "It is in itself a distinct and independent cause of action, so that when properly stated as such, the defendant becomes, in respect to the matter stated by him, an actor, and there are two simultaneous actions pending between the same parties, where each is at the same time both a plaintiff and defendant."⁴⁷

In the Answer with Counterclaim for Damages in Civil Case No. 11993, Agrifina's cause of action rested on respondents' failure to respect her ownership over the 300-square meter portion of Lot 965 by virtue of the *Kasunduan ng Bilihan* dated September 4, 1968 between Jose and Florentino, and the *Kasulatang Tapos at Lubos Na Bilihan Ng Lupa* dated January 12, 1971 between herself and Florentino. In Civil Case No. 00-113, petitioners' cause of action hinges on respondents' refusal to execute a deed of absolute sale despite the existence of the two foregoing documents supposedly evidencing the sale of the property from Jose to Florentino, and from the latter to Agrifina.

Clearly, in both Civil Case No. 11993 and Civil Case No. 00-113, herein petitioners impute the same wrongful act on respondents – their failure to recognize petitioners' title over the 300-square meter portion of Lot 965 despite the existence of perfected contracts of sale in their favor. Although

⁴⁵ *Chua v. Metropolitan Bank and Trust Co.*, 613 Phil. 143, 155 (2009).

⁴⁶ *Pro Line Sports Center, Inc. v. Court of Appeals*, 346 Phil. 143, 156 (1997).

⁴⁷ *Id.*

differing in form, these two cases are ultimately anchored on conflicting claims of ownership over the property in dispute. Thus, we conclude that they have identical causes of action.

Settled is the rule that “the application of the doctrine of *res judicata* to identical causes of action does not depend on the similarity or differences in the forms of the two actions.”⁴⁸ Thus, in *Riviera Golf Club, Inc. v. Court of Appeals*,⁴⁹ we held that “[a] party cannot, by varying the form of the action or by adopting a different method of presenting his case, escape the operation of the doctrine of *res judicata*.”⁵⁰

Same evidence support and establish both the present and the former causes of action of petitioners.

Moreover, the test of identity of causes of action is predicated on whether the same evidence would support and establish the former and the present causes of action.⁵¹ In other words, under the **same test evidence**, if the same evidence ultimately support and establish the causes of action in the first and second cases, then there is likely an identity of causes of action.⁵²

In this case, petitioners presented the same documentary evidence to prove their claims in Civil Case No. 11993 and Civil Case No. 00-133, as both actions ultimately seek to establish their title over a certain portion of Lot 965. In this regard, petitioners presented three documents in both actions, namely: (1) the *Kasunduan ng Bilihan* dated September 4, 1996 executed by Jose in favor of Florentino; (2) the handwritten receipt executed by Felicidad, Jose’s wife, of the remaining balance amounting to ₱1,000.00; and (3) the *Kasulatang Tapos at Lubos na Bilihan ng Piraso ng Lupa* dated January 12, 1971 between Florentino and Agrifina involving the said property in dispute.

The underlying objectives or reliefs sought in both cases are essentially the same: i.e., adjudication of the ownership of the disputed portion of Lot 965. It is readily apparent that the same evidence or set of facts as those considered in Civil Case No. 11993 would also be used in Civil Case No. 00-113. Clearly, the courts would have to re-examine the same evidence in Civil Case No. 11993 to support petitioners’ cause of action in Civil Case No. 00-113. The similarity in the pieces of evidence in these two cases therefore strongly suggests the identity of petitioners’ causes of action.

⁴⁸ *Riviera Golf Club, Inc. v. CCA Holdings, B.V.*, 760 Phil. 655, 666 (2015).

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* at 667.

⁵² *Id.* See also *Esperas v. Court of Appeals*, 395 Phil. 803, 811 (2000).

That one case is an action for damages and the other for specific performance is of no moment. The variations in the forms of the complaints or actions of petitioners, or the fact that they presented the issue in different methods, should not escape the operation of the doctrine of *res judicata*. The fact remains that the January 30, 1997 Decision of the CA in relation to Civil Case No. 11993 made a definitive finding that: (1) the two documents relied upon by petitioners are insufficient bases of ownership over the property in dispute; and (2) there was absence of proof that there was full payment of the purchase price of the property in dispute. Notably, the grant of the relief prayed for by petitioners in the instant case would effectively result in the reexamination of the abovementioned documents, and a reversal of a final and executory decision involving the same issues, parties, and subject matter.

Splitting of causes of action.

Lastly, settled is the rule that “[a] cause of action may give rise to several reliefs, but only one action can be filed. A single cause of action or entire claim or demand cannot be split up or divided into two or more different actions. The rule prohibiting the splitting of a single cause of action is clear.”⁵³ Section 4, Rule 2 of the Rules of Court expressly states:

Section 4. *Splitting a single cause of action; effect of.* - If two or more suits are instituted on the basis of the same cause of action, the filing of one or a judgment upon the merits in any one is available as a ground for the dismissal of the others.

It bears reiterating that petitioners themselves set up a cause of action against respondents in their Answer with Counterclaim for Damages. The Court observes that the damages claimed and the consequent prayer to declare them as lawful owners of a 300-square meter portion of Lot 965 were premised on respondents’ supposed failure to respect petitioners’ title of ownership over the same property.

As already discussed above, this cause of action pursued in Civil Case No. 11993 and on which the lower courts rendered their decisions was similarly brought forth in Civil Case No. 00-113. Applying Section 4, Rule 2 of the Rules of Court, petitioners cannot split their cause of action by filing a case in court to recognize them as lawful owners of a property, and thereafter file another separate complaint for specific performance that ultimately seeks to determine with finality their title or ownership over the same property.

⁵³ *Riviera Golf Club, Inc. v. CCA Holdings, B.V.*, supra note 37 at 665-666.

In their complaint for specific performance, petitioners contend that they merely relied on the January 30, 1997 Decision of the CA in Civil Case No. 11993, particularly, when it held that the conveyance of Lot No. 965 in favor of the respondents was “without prejudice to [petitioners’] right to establish their claim in a separate action [for specific performance].”⁵⁴

We are not persuaded. Indeed, petitioners have the right to establish their claim of ownership over a specified portion of Lot 965. However, this should not be done *in violation of the rule on splitting of cause of action*. To otherwise allow them to establish their claim against respondents based on the same cause of action will result in the total disregard of basic rules of procedure as discussed above.

Petitioners would make it appear that the present case takes exception to the doctrine of *res judicata* in light of this Court’s ruling in *Agustin* – that the application of the doctrine may be excused if the same would result in “grave injustice.” Petitioners’ argument, however, fails to persuade as no such pronouncement was made in *Agustin*. *Agustin* is simply not applicable in this case considering that the Court specifically ruled therein that there was identity of causes of action in the first and second cases, which necessarily justifies the application of *res judicata*.

As a final note, the Court reiterates that:

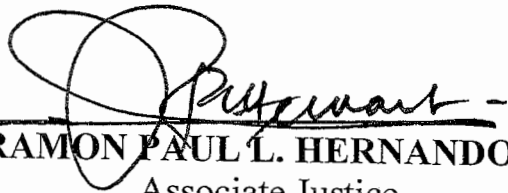
It must be remembered that it is to the interest of the public that there should be an end to litigation by the parties over a subject fully and fairly adjudicated. The doctrine of *res judicata* is a rule that pervades every well-regulated system of jurisprudence and is founded upon two grounds embodied in various maxims of the common law, namely: (1) public policy and necessity, which dictates that it would be in the interest of the State that there should be an end to litigation *republicae ut sit litium*; and (2) the hardship on the individual that he should be vexed twice for the same cause *nemo debet bis vexari pro una et eadem causa*. A contrary doctrine would subject public peace and quiet to the will and neglect of individuals and prefer the gratification of the litigious disposition on the part of suitors to the preservation of public tranquility and happiness.⁵⁵

WHEREFORE, the petition is **DENIED**. The assailed September 17, 2013 Decision and January 7, 2014 Resolution of the Court of Appeals in CA-G.R. No. 94721 are **AFFIRMED**.

⁵⁴ *Rollo*, p. 103.


⁵⁵ *Spouses Navarra v. Liongson*, 784 Phil. 942, 958-959 (2016) citing *Selga v. Sony Entierro Brar*, 673 Phil. 581 (2011).

SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


MARVIC M. V. F. LEONEN
Associate Justice
Chairperson


HENRI JEAN PAUL B. INTING
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice


JHOSEP Y. LOPEZ
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.


MARVIC M. V. F. LEONEN

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

Chief Justice