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WHEREFORE, the petition is *DENIED*. The Decision of the Court of Appeals dated April 30, 2003 and its Resolution of July 4, 2003 are *AFFIRMED*.

SO ORDERED.

Tinga,[*] *Chico-Nazario, Nachura,* and *Reyes, JJ.,* concur.

THIRD DIVISION

[G.R. No. 159422. March 28, 2008]

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PHILIPPINE ISLANDS, doing business under the name of MANILA DOWNTOWN YMCA, *petitioner, vs.* **REMINGTON STEEL CORPORATION,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; CERTIFICATION OF NON-FORUM SHOPPING; MANDATORY REQUIREMENT. — Sections 1 and 2, Rule 42 of the Rules of Court require that a petition for review filed with the CA should be verified and should contain a certificate of non-forum shopping, to wit: SEC. 1. *How appeal taken; time for filing.* — A party desiring to appeal from a decision of the Regional Trial Court rendered in the exercise of its appellate jurisdiction may file a **verified petition** for review with the Court of Appeals x x x. SEC. 2. *Form and contents.* — The petition shall be filed in seven (7) legible copies, with the original copy intended for the court being indicated as such by the petitioner, x x x. The petitioner shall also submit together with the petition a **certification under oath** that he has not theretofore commenced any other action involving the same issues in the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal

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or agency; if there is such other action or proceeding, he must state the status of the same; and if he should thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, he undertakes to promptly inform the aforesaid courts and other tribunal or agency thereof within five (5) days therefrom. These requirements are mandatory, and failure to comply therewith is sufficient ground for the dismissal of the petition. The requirement that the petitioner should sign the Verification and Certification of Non-Forum Shopping applies even to corporations, considering that the mandatory directives of the Rules of Court make no distinction between natural and juridical persons.

2. MERCANTILE LAW; CORPORATIONS; POWERS ARE EXERCISED THROUGH BOARD OF DIRECTORS. — Except for the powers which are expressly conferred on it by the Corporation Code and those that are implied by or are incidental to its existence, a corporation has no powers. It exercises its powers through its board of directors and/or its duly authorized officers and agents. Thus, its power to sue and be sued in any court is lodged with the board of directors that exercises its corporate powers. Physical acts, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by a specific act of the board of directors.

3. REMEDIAL LAW; CIVIL PROCEDURE; ACTIONS; CERTIFICATION OF NON FORUM SHOPPING; DISTINGUISHED FROM VERIFICATION. — The purpose of requiring a verification is to secure an assurance that the allegations of the petition have been made in good faith, or are true and correct, not merely speculative. On the other hand, the rule against forum shopping is rooted in the principle that a party-litigant shall not be allowed to pursue simultaneous remedies in different fora, as this practice is detrimental to orderly judicial procedure. A distinction must be made between non-compliance with the requirements for Verification and Certification of Non-Forum Shopping. As to Verification, non-compliance therewith does not necessarily render the pleading fatally defective; hence, the court may order its correction if verification is lacking, or act on the pleading although it is not verified, if the attending circumstances are such that strict

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compliance with the Rules may be dispensed with in order that the ends of justice may thereby be served. On the other hand, the lack of certification of non-forum shopping is *generally* not curable by the submission thereof after the filing of the petition. The submission of a certificate against forum shopping is thus deemed obligatory, *albeit* not jurisdictional. However, jurisprudence instructs that the rule on certification against forum shopping may be relaxed on grounds of "substantial compliance" or "special circumstance or compelling reasons." x x x While the requirement of the certificate of non-forum shopping is mandatory, nonetheless the requirement must not be interpreted too literally as to defeat the objective of preventing the undesirable practice of forum shopping.

4. ID.; ID.; JUDGMENTS; DOCTRINE OF *STARE DECISIS*; CONSTRUED. — Under the doctrine, when the Supreme Court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same. The doctrine of *stare decisis* is based upon the legal principle or rule involved and not upon judgment which results therefrom. In this particular sense *stare decisis* differs from *res judicata* which is based upon the judgment. The doctrine of *stare decisis* is one of policy grounded on the necessity for securing certainty and stability of judicial decisions, thus: Time and again, the court has held that it is a very desirable and necessary judicial practice that when a court has laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases in which the facts are substantially the same. *Stare decisis et non quieta movere.* Stand by the decisions and disturb not what is settled. *Stare decisis* simply means that for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same, even though the parties may be different. It proceeds from the first principle of justice that, absent any powerful countervailing considerations, like cases ought to be decided alike. Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.

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APPEARANCES OF COUNSEL

Gancayco Balasbas and Associates for petitioner.
Roberto A. Abad for respondent.

D E C I S I O N

AUSTRIA-MARTINEZ, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Resolution[1] dated January 16, 2003 of the Court of Appeals (CA) in CA-G.R. SP No. 74292 which dismissed outright petitioner's Petition for Review for failure to show proof of authority of the signatory to the Verification and Certification of Non-Forum Shopping, and the CA Resolution[2] dated July 29, 2003 which denied petitioner's Motion for Reconsideration thereof.

The antecedent facts of the petition are as follows:

Remington Steel Corporation[3] (Remington) leased ground floor units 964 and 966 and second floor unit 963 of a building owned by the Manila Downtown YMCA (YMCA) in Benavidez St., Binondo, Manila. Remington used the combined areas of ground floor units 964 and 966 as hardware store, offices, and display shops for its steel products, as well as a passageway to second floor unit 963 which was used as staff room for its Manila sales force.

On February 27, 1997, YMCA formally terminated the lease over second floor unit 963 and gave Remington until March 31, 1997 to vacate the premises. On March 24, 1997, Remington filed with the Metropolitan Trial Court (MeTC) , Manila a case

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[1] Penned by Associate Justice Rebecca de Guia-Salvador and concurred in by Associate Justices Rodrigo V. Cosico and Regalado E. Maambong, CA *rollo*, p. 260.

[2] CA *rollo*, p. 296.

[3] Also known as "Remington Industrial Sales Corporation" in other parts of the record.

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for the Fixing of Lease Period over unit 963, docketed as Civil Case No. 154969-CV. On April 8, 1997, YMCA filed in the same court an action for Unlawful Detainer involving the same unit 963 against Remington, docketed as Civil Case No. 155083-CV. The two cases were consolidated before Branch 26 of MeTC-Manila (MeTC-Branch 26).

During the pendency of Civil Case Nos. 154969-CV and 155083-CV, Remington filed a Petition for Consignation of Rentals on the ground that YMCA refused to receive rentals for ground floor units 964 and 966, docketed as Civil Case No. 155897 and assigned to Branch 24 of MeTC-Manila (MeTC-Branch 24). On June 23, 1998, Remington filed a Formal Surrender of the Leased Premises,[4] opting to surrender possession of units 964 and 966 effective July 1, 1998 and tendering two checks to cover all past rentals due on the two units. On June 25, 1998, YMCA filed a No Objection to the Turn Over of the Leased Premises at #964 and 966 Benavidez St., Binondo, Manila.[5] On July 9, 1998, MeTC- Branch 24 issued an Order[6] declaring the consignation case closed.

Remington, however, continued to use ground floor units 964 and 966 as passageway to second floor unit 963. It kept the premises padlocked and failed to give YMCA the keys to the premises.

On August 11, 1998, MeTC-Branch 26 rendered a Decision in Civil Case Nos. 154969-CV and 155083-CV extending for three years from finality of the decision the lease period on second floor unit 963 and dismissed YMCA's complaint for ejectment.

On August 21, 1998, Remington filed in MeTC-Branch 26 a Motion to Constitute Passageway alleging that it had no means of ingress or egress to second floor unit 963. MeTC-Branch 26 assigned a Commissioner to conduct an ocular inspection. He reported that Remington was still in possession of the keys to

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[4] CA *rollo*, p. 88.

[5] *Id.* at 90.

[6] *Id.* at 92.

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ground floor units 964 and 966 because YMCA failed to provide an adequate passageway to second floor unit 963. The issue on the passageway, however, was not resolved by MeTC-Branch 26, for it had to forward the records of the case to Branch 30, Regional Trial Court, Manila (RTC-Branch 30) in connection with the appeals taken by the parties from its decision, docketed as Civil Case Nos. 99-93836 and 99-93837.

On March 15, 2000, RTC-Branch 30, acting as an appellate court, rendered a Decision[7] in Civil Case Nos. 99-93836 and 99-93837 granting Remington a longer extension period of five years for second floor unit 963 and ordering YMCA to provide a two-meter passageway between units 964 and 966.

Dissatisfied, YMCA filed an appeal with the CA, docketed as CA-G.R. SP No. 58957. On September 19, 2003, the CA held that the lower courts had authority to fix an extension of the lease period. It found that although the lease contract had expired, Remington's continued occupation of unit 963 resulted in a new lease on a month-to-month basis, which subsisted for over a year; thus, while YMCA had the right to seek its termination, Remington was entitled to a judicial lengthening of its period based on equity. Nonetheless, the CA ordered Remington to vacate the premises, as the continuation of the lease was no longer tenable after the lapse of six years, since the parties' formal contract had expired. It also noted that since Remington had already transferred to its own building, there was no more reason to continue the lease. Remington filed a Motion for Reconsideration, which the CA considered as moot, for Remington had vacated the premises.

In the meantime that CA-G.R. SP No. 58957 was pending, YMCA filed in MeTC-Manila two separate complaints for unlawful detainer to evict Remington from ground floor units 964 and 966,[8] docketed as Civil Case Nos. 168629-CV and 168628-CV, respectively. Civil Case No. 168629-CV was raffled to Branch 20, while Civil Case No. 168628-CV was raffled to Branch 17.

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[7] CA *rollo*, p. 150.

[8] *Id.* at 110.

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Upon Remington's motion, the two cases were consolidated. However, when YMCA filed a motion for reconsideration, the consolidation of cases was reversed and canceled. Thus, the cases were tried separately.

YMCA contended in both cases that Remington did not surrender the ground floor units but padlocked the doors, refused to surrender the keys, and failed to pay rent therefor demand.

Remington countered that it vacated and surrendered ground floor units 964 and 966 on July 1, 1998; that although it had the doors of the units locked, it did so only as an act of self-preservation, since it had a valid lease on second floor unit 963, and YMCA refused to heed the order of the court to provide a passageway to the second floor; that, if it were true that no turnover of ground floor units 964 and 966 was made, YMCA had the remedy of filing the appropriate motion in the consignation case, where the parties agreed on such turnover; and that the fact that it did not complain shows completion of such turnover.[9]

Both branches of MeTC-Manila separately ordered Remington to vacate the premises and to pay reasonable rent and attorney's fees to YMCA.[10]

Remington separately appealed both decisions to the Regional Trial Court, Manila (RTC-Manila). Its appeal from MeTC-Manila, Branch 20 was docketed as Civil Case No. 01-102435 and assigned to Branch 40, while the appeal from MeTC-Manila Branch 17 was docketed as Civil Case No. 03-107655 and assigned to Branch 25. Branches 40 and 25 of RTC-Manila separately reversed the respective decisions of MeTC-Manila and dismissed the two complaints for unlawful detainer.[11]

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[9] CA *rollo*, p. 119.

[10] *Rollo*, p. 145; *Remington Industrial Sales Corporation v. Chinese Young Men's Christian Association of the Philippine Islands*, G.R. No. 171858, January 22, 2007, 512 SCRA 183, 188.

[11] CA *rollo*, p. 36; *Remington Industrial Sales Corporation v. Chinese Young Men's Christian Association of the Philippine Islands, supra*.

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YMCA filed separate motions for reconsideration[12] which were denied.[13]

YMCA then filed separate petitions for review[14] in the CA, docketed as CA-G.R SP Nos. 74292 and 88599.

On January 16, 2003, the CA issued a Resolution[15] dismissing outright the petition for review in CA-G.R. SP No. 74292 involving **unit 964** on the ground that William Golangco, the signatory to the Verification and Certification on Non-Forum Shopping, failed to show his proof of authority to file the petition for review.

On February 10, 2003, YMCA filed a Motion for Reconsideration[16] therein, appending thereto a Secretary's Certificate[17] dated December 26, 2002 executed by YMCA's Corporate Secretary attesting to a December 13, 2002 Resolution of the Board of Directors authorizing William Golangco to prepare and file the petition for review.

On July 29, 2003, the CA issued a Resolution[18] denying YMCA's motion for reconsideration. Citing *Spouses Melo v. Court of Appeals*,[19] the CA underscored the mandatory nature of the requirement that the Certification of Non-Forum Shopping should be annexed to, or simultaneously filed with the petition and that subsequent compliance therewith cannot excuse a party's failure to comply in the first instance.

Hence, the present petition involving only unit 964 anchored on the following ground:

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[12] CA *rollo*, p. 50; *Remington Industrial Sales Corporation v. Chinese Young Men's Christian Association of the Philippine Islands*, *supra* at 189.

[13] CA *rollo*, p. 75; *Remington Industrial Sales Corporation v. Chinese Young Men's Christian Association of the Philippine Islands*, *supra*, note 10.

[14] CA *rollo*, p. 2.

[15] *Id*. at 260.

[16] *Id*. at 262.

[17] *Id*. at 269.

[18] *Id*. at 296.

[19] 376 Phil. 204 (1999).

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THE HONORABLE COURT OF APPEALS ERRED IN DISMISSING THE PETITION RAISED BEFORE IT WHEN IT FOUND THAT THE PETITIONER FAILED TO SUBMIT THE AUTHORITY OF THE AFFIANT WHO SIGNED FOR THE PETITIONER CORPORATION AND THE SUBSEQUENT SUBMISSION OF THE SECRETARY'S CERTIFICATE DID NOT CURE SAID DEFECT IN THE CERTIFICATION AGAINST FORUM SHOPPING.[20]

YMCA argues that the rules do not require that the filing of the Verification and Certification of Non-Forum Shopping should include therewith the authorization of the person signing the same; that *Melo* does not apply, since it involves the total failure to append to the petition a Verification and Certification of Non-Forum Shopping; that recent cases of this Court, while upholding the need to present the authority of the person signing the Verification and Certification of Non-Forum Shopping in case the party litigant is not a natural person, emphasize that its late submission is not fatal.

Remington, on the other hand, contends that YMCA is required at the time of the filing of its petition to show that the person signing the Verification and Certification of Non-Forum Shopping on its behalf had proper authority to do so; that subsequent compliance would encourage parties to make light of the requirements of petitions for review.

Sections 1 and 2, Rule 42 of the Rules of Court require that a petition for review filed with the CA should be verified and should contain a certificate of non-forum shopping, to wit:

SEC. 1. *How appeal taken; time for filing*. — A party desiring to appeal from a decision of the Regional Trial Court rendered in the exercise of its appellate jurisdiction may file a **verified petition** for review with the Court of Appeals x x x.

SEC. 2. *Form and contents*. — The petition shall be filed in seven (7) legible copies, with the original copy intended for the court being indicated as such by the petitioner, x x x.

The petitioner shall also submit together with the petition a **certification under oath** that he has not theretofore commenced

[20] *Rollo*, p. 13.

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any other action involving the same issues in the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency; if there is such other action or proceeding, he must state the status of the same; and if he should thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, he undertakes to promptly inform the aforesaid courts and other tribunal or agency thereof within five (5) days therefrom. (Emphasis supplied)

These requirements are mandatory, and failure to comply therewith is sufficient ground for the dismissal of the petition.[21] The requirement that the petitioner should sign the Verification and Certification of Non-Forum Shopping applies even to corporations, considering that the mandatory directives of the Rules of Court make no distinction between natural and juridical persons.[22]

Except for the powers which are expressly conferred on it by the Corporation Code and those that are implied by or are incidental to its existence, a corporation has no powers. It exercises its powers through its board of directors and/or its duly authorized officers and agents.[23] Thus, its power to sue and be sued in any court is lodged with the board of directors that exercises its corporate powers.[24] Physical acts, like the signing of documents, can be

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[21] RULES OF COURT, Rule 42, Sec. 3, provides:

SEC. 3. *Effect of failure to comply with requirements.* — The failure of the petitioner to comply with any of the foregoing requirements regarding the payment of the docket and other lawful fees, deposit for costs, proof of service of the petition, and the contents of and the documents which should accompany the petition shall be sufficient ground for the dismissal thereof.

[22] *Pascual and Santos, Inc. v. The Members of the Tramo Wakas Neighborhood Association, Inc.,* G.R. No. 144880, November 17, 2004, 442 SCRA 438, 446; *Zulueta v. Asia Brewery,* 406 Phil. 543, 553 (2001)

[23] *Pascual and Santos, Inc. v. The Members of the Tramo Wakas Neighborhood Association, Inc., supra* note 22; *National Steel Corporation v. Court of Appeals,* 436 Phil. 656, 665-666 (2002).

[24] *Pascual and Santos, Inc. v. The Members of the Tramo Wakas Neighborhood Association, Inc., supra* note 22; *Shipside Incorporated v. Court of Appeals,* 404 Phil. 981, 994 (2001).

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performed only by natural persons duly authorized for the purpose by corporate by-laws or by a specific act of the board of directors.[25]

The purpose of requiring a verification is to secure an assurance that the allegations of the petition have been made in good faith, or are true and correct, not merely speculative.[26] On the other hand, the rule against forum shopping is rooted in the principle that a party-litigant shall not be allowed to pursue simultaneous remedies in different fora, as this practice is detrimental to orderly judicial procedure.[27]

A distinction must be made between non-compliance with the requirements for Verification and Certification of Non-Forum Shopping. As to Verification, non-compliance therewith does not necessarily render the pleading fatally defective; hence, the court may order its correction if verification is lacking, or act on the pleading although it is not verified, if the attending circumstances are such that strict compliance with the Rules may be dispensed with in order that the ends of justice may thereby be served.[28] On the other hand, the lack of certification of non-forum shopping is *generally* not curable by the submission thereof after the filing of the petition.[29] The submission of a certificate against forum shopping is thus deemed obligatory, *albeit* not jurisdictional.[30] However, jurisprudence instructs that

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[25] *Pascual and Santos, Inc. v. The Members of the Tramo Wakas Neighborhood Association, supra* note 22, at 446-447; *Firme v. Bukal Enterprises and Development Corporation,* 460 Phil. 321, 346 (2003).

[26] *Torres v. Specialized Packaging Development Corporation*, G.R. No. 149634, July 6, 2004, 433 SCRA 455, 463; *Robern Development Corp. v. Judge Quitain*, 373 Phil. 773, 786; *Bank of the Philippine Islands v. Court of Appeals*, 450 Phil. 532, 540 (2003).

[27] *Uy v. Land Bank of the Philippines,* 391 Phil. 303, 312 (2000); *Shipside Incorporated v. Court of Appeals, supra* note 24.

[28] *Uy v. Land Bank of the Philippines, supra* note 27; *Shipside Incorporated v. Court of Appeals, supra* note 24, at 995.

[29] *Uy v. Land Bank of the Philippines, supra* note 27; *Shipside Incorporated v. Court of Appeals, supra* note 24, at 995.

[30] *Torres v. Specialized Packaging Development Corporation, supra* note 26, at 465.

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the rule on certification against forum shopping may be relaxed on grounds of "substantial compliance" or "special circumstance or compelling reasons."[31]

In *Shipside Incorporated v. Court of Appeals*,[32] the petitioner had not attached any proof that its resident manager was authorized to sign the Verification and Certification of Non-Forum Shopping, as a consequence of which, the petition was dismissed by the CA. Subsequent to the dismissal, however, the petitioner filed a motion for reconsideration, to which was attached a Certificate issued by its board secretary who stated that, prior to the filing of the petition, the resident manager had been authorized by the board of directors to file the petition. The Court recognized therein the abundance of cases excusing non-compliance with the requirement of a certification of non-forum shopping and held that with more reason should a petition be given due course when it incorporates a certification of non-forum shopping without evidence that the person signing the certification was an authorized signatory and the petitioner subsequently submits a secretary's certificate attesting to the signatory's authority in its motion for reconsideration.

Similarly, in *Havtor Management Philippines, Inc. v. National Labor Relations Commission*,[33] the Court acknowledged substantial compliance when the lacking secretary's certificate was submitted by the petitioners as an attachment to the motion for reconsideration seeking reversal of the original decision dismissing the petition for its earlier failure to submit such requirement.

Likewise, in *General Milling Corporation v. National Labor Relations Commission,*[34] the CA dismissed the petition, which was not accompanied by any board resolution or certification

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[31] *Mamaril v. Civil Service Commission,* G.R. No. 164929, April 10, 2006, 487 SCRA 65, 73.

[32] *Supra* note 24.

[33] 423 Phil. 509, 513 (2001).

[34] 442 Phil. 425, 427 (2002).

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by the corporate secretary that the person who signed the Certification of Non-Forum Shopping was duly authorized to represent the petitioner corporation. In the Motion for Reconsideration, however, the petitioner attached a board resolution stating that the signatory of the Certification had been duly authorized to do so. The Court deemed as substantial compliance the belated attachment to the motion for reconsideration the board resolution or the secretary's certificate, stating that there was no attempt on the part of the petitioner to ignore the prescribed procedural requirements.

The ruling in these cases has been repeatedly reiterated in subsequent cases: *Pascual and Santos, Inc. v. The Members of the Tramo Wakas Neighborhood Association*,[35] *Wack Wack Golf and Country Club v. National Labor Relations Commission*,[36] *Vicar International Construction, Inc. v. FEB Leasing and Finance Corporation*,[37] *Ateneo De Naga University v. Manalo*,[38] *China Banking Corporation v. Mondragon International Philippines, Inc.*,[39] *LDP Marketing, Inc. v. Monter*,[40] *Varorient Shipping Co., Inc. v. National Labor Relations Commission*,[41] and most recently in *Cana v. Evangelical Free Church of the Philippines*,[42] and continues to be the controlling doctrine.

As in the aforementioned cases, YMCA rectified its failure to submit proof of Golangco's authority to sign the Verification and Certification on Non-Forum Shopping on its behalf when it attached in its Motion for Reconsideration a Secretary's Certificate issued by its Corporate Secretary stating that on December 13, 2002, or prior to the filing of the petition on

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[35] *Supra* note 22.

[36] G.R. No. 149793, April 15, 2005, 456 SCRA 280.

[37] G.R. No. 157195, April 22, 2005, 456 SCRA 588.

[38] G.R. No. 160455, May 9, 2005, 458 SCRA 325.

[39] G.R. No. 164798, November 17, 2005, 475 SCRA 332.

[40] G.R. No. 159653, January 25, 2006, 480 SCRA 137.

[41] G.R. No. 164940, November 28, 2007.

[42] G.R. No. 157573, February 11, 2008.

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December 27, 2002, Golangco had been authorized by YMCA's Board of Directors to file the petition before the CA.

Thus, the CA's reliance on *Melo* was misplaced. That case involved a total failure to append to the petition a verification and certification of non-forum shopping, unlike the present case in which YMCA timely filed a Verification and Certification of Non-Forum Shopping, but merely failed to submit proof of authority of the signatory to sign the same.

While the requirement of the certificate of non-forum shopping is mandatory, nonetheless the requirement must not be interpreted too literally as to defeat the objective of preventing the undesirable practice of forum shopping.[43]

Accordingly, the CA committed an error in dismissing outright YMCA's petition for review for failure to attach a proof of authority of the signatory to the Verification and Certification of Non-Forum Shopping.

Ordinarily, the Court would remand the case to the CA for proper disposition of the petition on the merits.[44] The particular surrounding facts and circumstances in the present case, however, prevent the Court from doing so. In the meantime that the present petition was pending, the CA rendered a Decision dated October 17, 2005 in CA-G.R SP No. 88599, involving ground floor **unit 966** reversing the Decision of RTC-Branch 25 and reinstating the Decision of MeTC-Branch 17 on YMCA's complaint for unlawful detainer. When Remington's motion for reconsideration was denied, it filed a petition for review on *certiorari* with this Court, entitiled "*Remington Industrial Sales Corporation v. Chinese Young Men's Christian Association of the Philippine*

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[43] *Varorient Shipping Co., Inc. v. National Labor Relations Commission, supra* note 41, p.8; *Shipside Incorporated v. Court of Appeals supra* note 24, at 996*; Bernardo v. National Labor Relations Commission*, 325 Phil. 371, 384 (1996).

[44] *Garcia v. Philippine Airlines, Inc.*, G.R. No. 160798, June 8, 2005, 459 SCRA 768, 778; *Vicar International Construction, Inc. v. FEB Leasing and Finance Corporation*, *supra* note 40 at 599; *Donato v. Court of Appeals*, 462 Phil. 676, 692 (2003); *BA Savings Bank v. Sia*, 391 Phil. 370, 378 (2000).

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Islands, doing business under the name Manila Downtown YMCA," docketed as G.R. No. 171858.[45] On January 22, 2007, the Court rendered a Decision[46] granting the petition and dismissing the unlawful detainer case involving ground floor unit 966. However, upon YMCA's motion for reconsideration, the Court issued a Resolution dated August 31, 2007 setting aside its January 22, 2007 Decision and reinstating the Decision of MeTC-Branch 17 with the modification that Remington was ordered to pay YMCA ₱11,000.00 a month from July 1, 1998 until March 12, 2004 as reasonable compensation for the use of the premises.[47] The Court held therein:

> The filing of the Formal Surrender of Leased Premises and the actual emptying of the premises constitute constructive delivery of possession. Hence, the contract of lease was terminated on July 1, 1998 and it is incumbent upon petitioner, as lessee, to comply with its obligation to return the thing leased to the lessor and vacate the premises.
>
> However, **[Remington] failed to comply with its obligation to return the premises to [YMCA]**. In order to return the thing leased to the lessor, it is not enough that the lessee vacates it. It is necessary that he places the thing at the disposal of the lessor, so that the latter can receive it without any obstacle. He must return the keys and leave no sub-lessees or other persons in the property; otherwise he shall continue to be liable for rents.
>
> **[Remington's] constructive delivery of the premises did not produce the effect of actual delivery to the [YMCA]**. To be effective, it is necessary that the person to whom the delivery is made must be able to take control of it without impediment especially from the person who supposedly made such delivery. In the case at bar, records show that despite the termination of the lease, [YMCA] was never in possession of the premises because it was padlocked. [YMCA] was not given the key to the premises hence it was deprived to use the same as it pleases.

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[45] *Supra* note 10.

[46] Penned by Justice Consuelo Ynares-Santiago.

[47] G.R. No. 171858, August 31, 2007, 531 SCRA 750, 760.

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Although the use of the premises as passageway was justified, [Remington] cannot deprive [YMCA] the use of the said premises by having it padlocked. Other than simply repudiating the demand for back rentals, [Remington] should have given [YMCA] a set of keys so it can enter the premises without exposing the property to security risks. Prudence dictates the delivery of the keys to [YMCA] to dispel any doubt that [Remington] is using the premises other than as a mere passageway and that it has never withheld possession of the same to the [YMCA]. [Remington] had several opportunities to give [YMCA] access to the premises starting from the time it sent its first demand to pay back rentals until the complaint for ejectment was filed but it never availed of these opportunities.

From the foregoing, it is apparent that [Remington's] constructive delivery did not effectively transfer possession of the leased premises to [YMCA]. From the time the lease was terminated, [Remington] unlawfully withheld possession of the leased premises from [YMCA]. However, it appears that [Remington] had moved out from [YMCA's] building on March 12, 2004, as stated in its Manifestation before Branch 25 of the RTC-Manila. [YMCA] is entitled to a reasonable compensation for [Remington's] continued occupancy of the premises despite termination of the lease from July 1, 1998 to March 12, 2004.

Under Section 17, Rule 70 of the Rules of Court, the trial court may award reasonable compensation for the use and occupation of the leased premises after the same is duly proved. In *Asian Transmission Corporation v. Canlubang Sugar Estates*, the Court ruled that the reasonable compensation contemplated under said Rule partakes of the nature of actual damages based on the evidence adduced by the parties. The Court also ruled that "fair rental value is defined as the amount at which a willing lessee would pay and a willing lessor would receive for the use of a certain property, neither being under compulsion and both parties having a reasonable knowledge of all facts, such as the extent, character and utility of the property, sales and holding prices of similar land and the highest and best use of the property."

The reasonable compensation for the leased premises fixed by the trial court based on the stipulated rent under the lease contract which is ₱22,531.00, must be equitably reduced in view of the circumstances attendant in the case at bar. First, it should be noted that the premises was used only as a means of passageway caused by [YMCA's] failure to provide sufficient passageway towards the

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second floor unit it also occupies. Second, [YMCA] was negligent because it waited for more than a year before it actually demanded payment for back rentals as reflected in its Statement of Accounts dated September 7, 1999. When both parties to a transaction are mutually negligent in the performance of their obligations, the fault of one cancels the negligence of the other and, as in this case, their rights and obligations may be determined equitably under the law proscribing unjust enrichment. From the foregoing, we find the amount of ₱11,000.00 a month equitable and reasonable compensation for petitioner's continued use of the premises.[48] (Emphasis supplied)

Remington filed a Motion for Reconsideration therein but it was denied with finality in a Resolution dated November 12, 2007. Remington subsequently filed a Motion for Leave to File Second Motion for Reconsideration but it was denied for lack of merit in a Resolution dated February 6, 2008, ordering entry of judgment. Thus, the resolution in that case has become final and executory.

The final Resolution dated August 31, 2007 in G.R. No. 171858 is binding and applicable to the present case following the salutary doctrine of *stare decisis et non quieta movere* which means "to adhere to precedents, and not to unsettle things which are established."[49] Under the doctrine, when the Supreme Court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same.[50] The doctrine of *stare decisis* is based upon the legal principle or rule involved and not upon judgment which results therefrom. In this particular sense *stare decisis* differs from *res judicata* which is based upon the judgment.[51]

The doctrine of *stare decisis* is one of policy grounded on the necessity for securing certainty and stability of judicial decisions, thus:

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[48] *Supra* note 47, at 758-760.

[49] Black's Law Dictionary, Fifth Edition.

[50] *Horne v. Moody*, 146 S.W.2d 505 (1940).

[51] *Id*.

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Time and again, the court has held that it is a very desirable and necessary judicial practice that when a court has laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases in which the facts are substantially the same. *Stare decisis et non quieta movere.* Stand by the decisions and disturb not what is settled. *Stare decisis* simply means that for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same, even though the parties may be different. It proceeds from the first principle of justice that, absent any powerful countervailing considerations, like cases ought to be decided alike. Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.[52]

It bears stressing that the facts of the present case and those of G.R. No. 171858 are substantially the same. The only difference is the unit involved; G.R. No. 171858 involves unit 966 while the present case involves unit 964. The opposing parties are likewise the same. Clearly, in the light of the final Resolution dated August 31, 2007 in G.R. No. 171858, which the Court follows as precedent, Remington unlawfully withheld possession of the leased premises because its constructive delivery did not amount to an effective transfer of possession to YMCA. It is the Court's duty to apply the previous ruling in the final Resolution dated August 31, 2007 in G.R. No. 171858 to the instant case. Once a case has been decided one way, any other case involving exactly the same point at issue, as in the present case, should be decided in the same manner.[53]

WHEREFORE, the Court *GRANTS* herein petition insofar as the outright dismissal of CA-G.R. SP No. 74292 is concerned. The Resolutions dated January 16, 2003 and July 29, 2003 of the Court of Appeals are *REVERSED* and *SET ASIDE*. The

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[52] *Ty v. Banco Filipino Savings & Mortgage Bank,* G.R. No. 144705, November 15, 2005, 475 SCRA 65, 76.

[53] *Pines City Educational Center v. National Labor Relations Commission*, G.R. No. 96779, November 10, 1993, 227 SCRA 655, 665; *Associated Sugar, Inc. v. Commissioner of Customs*, 204 Phil. 289, 295 (1982).

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final Resolution dated August 31, 2007 of the Court in G.R. No. 171858 shall likewise govern the rights of the parties insofar as unit 964 is concerned.

SO ORDERED.

Tinga,[*] *Chico-Nazario, Nachura,* and *Reyes, JJ.,* concur.

FIRST DIVISION

[G.R. No. 160604. March 28, 2008]

PHILIPPINE DAILY INQUIRER, ISAGANI YAMBOT, LETTY JIMENEZ-MAGSANOC, PERGENITO B. BANDAYREL, JR., GOBLETH C. MOULIC, ESTANISLAO CALDEZ, and ZENAIDA CALDEZ, *petitioners, vs.* **HON. ELMO M. ALAMEDA, in his capacity as the Presiding Judge of the REGIONAL TRIAL COURT OF TUGUEGARAO CITY, CAGAYAN, BRANCH 5, and LUZ CORTEZ BABARAN,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; ACTIONS; CAUSE OF ACTION; WHEN PRESENT; ESSENTIAL ELEMENTS. — As defined in Section 2, Rule 2 of the Rules of Court, a cause of action is the act or omission by which a party violates the right of another. In relation to a complaint, it is a formal statement of the operative facts that give rise to a remedial right. The question of whether the complaint states a cause of action is determined by its averments regarding the acts committed by the defendant. Thus, it must contain a concise statement of the ultimate or essential facts constituting the

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[*] In lieu of Justice Consuelo Ynares-Santiago, per Special Order No. 497 dated March 14, 2008.