

Title:

Machinery & Engineering Supplies, Inc. vs. Honorable Court of Appeals, et al.

Facts:

This case originated from a conflict over machinery and equipment installed at a factory in Norzagaray, Bulacan. Machinery & Engineering Supplies, Inc. (petitioner) filed a complaint for replevin against Ipo Limestone Co., Inc., and Antonio Villarama (respondents) to recover said properties. Upon petitioner's ex-parte application and posting of a bond, the Court of First Instance of Manila ordered the seizure of the properties. During the seizure process, it was observed that dismantling the equipment would cause damage, but the petitioner proceeded under the belief that the bond covered such eventualities.

Respondents filed an urgent motion for the return of the properties, which was granted by the court. The equipment, however, was returned in a non-functional state, dumped along the road near the quarry. Subsequent motions by the Provincial Sheriff and court orders aimed at reinstating the equipment to its original condition led to the filing of an original petition for certiorari by the petitioner in the Court of Appeals, alleging grave abuse of discretion by the Court of First Instance. The Court of Appeals dismissed the petition for lack of merit, a decision affirmed upon review by the Supreme Court.

Issues:

1. Whether the equipment and machinery in question are considered personal property subject to replevin.
2. Whether the Court of First Instance committed grave abuse of discretion in ordering the reinstallation of the machinery and equipment at the petitioner's expense.
3. Whether the Court of Appeals erred in dismissing the petitioner's original petition for certiorari.

Court's Decision:

1. The machinery and equipment, being fixed to the ground and integral to the industry carried on the premises, were deemed immovable property under paragraphs 3 and 5 of Article 415 of the Civil Code of the Philippines, and thus not subject to replevin.
2. The court did not commit grave abuse of discretion in ordering the machinery and equipment reinstated to their original condition. The petitioner assumed risks related to the dismantling and was aware of the possibility of restitution, which required the properties to be returned in substantially the same condition.
3. The Court of Appeals did not err in dismissing the petitioner's petition for certiorari, as

the trial court's actions were within its jurisdiction, and the sheriff, despite acting under petitioner's insistence, carried out what was inherently considered a poor judgment, but not subject to certiorari as it was not a judicial action.

Doctrine:

Machinery and equipment installed in a manner making them integral to an industry and fixed to the ground are considered immovable property under Article 415 of the Civil Code of the Philippines, and therefore not subject to replevin. Additionally, when restitution of property is ordered, it must be returned in substantially the same condition as when taken.

Class Notes:

- **Immovable Property**: Defined under Article 415 of the Civil Code, includes machinery installed for an industry carried on an immovable and intended by the owner of the tenement to meet the needs of said industry.
- **Replevin**: Applicable only to personal property. Immovable property, as defined by law, is excluded from replevin actions.
- **Certiorari**: A legal remedy used for reviewing decisions of lower courts which have committed grave abuse of discretion amounting to lack or excess of jurisdiction.

Historical Background:

This case highlights the importance of proper categorization of property as movable or immovable in legal disputes, and the corresponding legal remedies applicable. It illustrates the judicial process and mechanisms available to address grievances related to property wrongfully seized or damaged during legal proceedings.