

**\*\*Title:\*\*** United Alloy Philippines Corporation vs. United Coconut Planters Bank et al.

**\*\*Facts:\*\***

United Alloy Philippines Corporation (UniAlloy), engaged in the business of manufacturing alloy products, entered into a Lease Purchase Agreement (LPA) with United Coconut Planters Bank (UCPB) on September 10, 1999. UniAlloy leased from UCPB several parcels of land for three years with an option to purchase upon lease expiry. UniAlloy also obtained loans from UCPB.

On August 27, 2001, UniAlloy filed a Complaint against UCPB and its officers. UniAlloy alleged that Jakob Van Der Sluis took full control of UniAlloy through manipulation, involved in fictitious loans, and that UCPB unilaterally rescinded the LPA. UniAlloy sought the annulment of promissory notes, the nullification of the LPA's unilateral rescission, an injunction against UCPB from taking possession of the leased properties, and damages.

Upon UniAlloy's application, the RTC issued a 72-hour TRO. Van Der Sluis and UCPB filed motions to dismiss, citing improper venue, forum-shopping, *litis pendentia*, and harassment. On September 13, 2001, the RTC dismissed UniAlloy's complaint on these grounds and ordered the turnover of the leased premises to UCPB.

After the dismissal, UniAlloy's employees were evicted and UCPB took possession of the premises. UniAlloy filed a Petition for Certiorari and Mandamus with the Court of Appeals (CA), Manila, which issued a TRO and later granted a preliminary injunction. UCPB challenged this issuance in the Supreme Court but was ultimately denied.

Subsequently, the case was transferred to the CA, Cagayan de Oro (CA CDO) due to jurisdictional changes. CA CDO denied UniAlloy's motion to implement the writ of preliminary mandatory injunction, leading UniAlloy to seek reconsideration, which was also denied. The CA CDO affirmed the RTC's dismissal of the Complaint.

**\*\*Issues:\*\***

1. Whether CA CDO erred in dismissing UniAlloy's Petition for Certiorari and Mandamus.
2. Whether UniAlloy was entitled to a writ of preliminary injunction per CA Manila's earlier resolution affirmed by the Supreme Court.
3. Whether CA CDO disregarded Supreme Court decisions by not implementing the earlier TRO and preliminary injunction.

**\*\*Court's Decision:\*\***

1. **Proper Remedy and Jurisdiction:**

CA CDO correctly affirmed the RTC's dismissal of the Complaint. The main Complaint was dismissed due to improper venue, forum-shopping, and harassment. The LPA between UniAlloy and UCPB specified that any legal action arising from it should be brought exclusively to Makati courts, which UniAlloy disregarded by filing in Cagayan de Oro.

2. **NT of Appeals from the Dismissal:**

Given that the dismissal was without prejudice, the UniAlloy should have pursued an appeal. Because the Complaint raised grounds not falling under Section 5 of Rule 16 (claims of res judicata, prescription, and extinguishment), the appeal could have been the correct course, but instead, they resorted to a Petition for Certiorari and Mandamus.

3. **Effect of the RTC Dismissal:**

The ancillary reliefs, including preliminary injunctions granted, lost their efficacy with the dismissal of the main Complaint. The dismissal of the main action rendered all provisional remedies moot. Despite UniAlloy's argument on procedural mishandling, the CA CDO adhered to the principle that the main action's dismissal nullified any ancillary relief that was dependent on the main case.

4. **Doctrine of Judicial Stability:**

CA CDO's actions respected the doctrine of judicial stability, as it did not interfere with the past orders and merely continued proceedings forwarded from CA Manila. There was no contradiction with the Supreme Court's decision, as no definitive ruling was made on the merits of the Complaint's dismissal by the CA Manila or the Supreme Court except relating to the ancillary relief grant.

**Doctrine:**

The ruling reiterated the application of proper venue clauses in contracts (stipulation paragraph 18 of LPA). Moreover, it emphasized that the dismissal of a principal action voids any ancillary reliefs granted (Injunction principles from Bacolod City Water District v. Labayen and preliminary injunction fundamentals).

**Class Notes:**

- **Proper Venue Clause:** Contract stipulations about exclusive filing venues must be honored (Rule 4, Sections 2, and 4(b) of the Rules of Court).
- **Forum Shopping:** Failure to disclose simultaneous litigations on similar matters constitutes forum shopping.

- **Provisional Remedies:** Ancillary measures like TROs and injunctions lose efficacy if the principal action is dismissed.
- **Remedial Law:** Dismissals without prejudice shouldn't be appealed via Rule 65 but refiling or proper appeal must be conducted.

**Historical Background:**

This case reflects the transportation reform in the Philippine judicial system affecting appellate proceedings. Republic Act No. 8246, creating regional divisions within the Court of Appeals, aimed at efficient case management. The procedural challenges in UniAlloy's case also highlight nuanced applications of jurisdictional principles in corporate litigation and contractual stipulations. This decision reinforces careful adherence to procedural rules to safeguard legal remedies accurately.