

Title: Metropolitan Bank and Trust Company v. Regional Trial Court, Manila, Branch 39, Raycor Aircontrol System, Inc. and Court of Appeals

Facts:

1. Metropolitan Bank and Trust Company (Metrobank) filed a complaint for replevin to recover certain air conditioning units installed in the Good Earth Emporium, Inc. (GEE) building which were mortgaged to it by GEE.
2. Defendants include Uniwide Sales, Inc. (Uniwide) and the BPI Investment Corporation group (BPI-Consortium), who acquired the GEE building in an auction sale after GEE defaulted on a loan.
3. Metrobank's complaint alleged that GEE obtained a loan from it for the installation of air conditioning units and secured the loan through a chattel mortgage over these units.
4. On July 14 and 25, 1986, the defendants filed their respective Answers.
5. On July 17, 1986, Raycor Air Control Systems, Inc. (Raycor) filed a motion to intervene in the suit, claiming direct interest over the air conditioning units which it had supplied and installed.
6. The trial court admitted Raycor's intervention without opposition on August 8, 1986.
7. Metrobank answered Raycor's intervention complaint on November 19, 1986.
8. Metrobank and defendants BPI-Consortium later sought to settle the matter through a compromise, resulting in a motion to dismiss, which the court granted on March 18, 1988, dismissing the main complaint with prejudice.
9. Raycor, not having been part of the settlement, moved for reconsideration on April 19, 1988, which the trial court granted on June 2, 1988, thereby vacating the previous dismissal order.
10. Raycor filed a motion to admit an amended complaint on August 2, 1988, which the trial court admitted on January 11, 1989, despite Metrobank's opposition.
11. Metrobank filed for certiorari and mandamus with the Court of Appeals, challenging the trial court's orders of June 2, 1988, and January 11, 1989; the Court of Appeals dismissed this petition on July 19, 1989.
12. Metrobank sought recourse to the Supreme Court, raising essentially the same issues and arguments.

Issues:

1. Whether the intervention suit could proceed despite the dismissal of the main action.
2. Whether the trial court properly admitted Raycor's amended complaint in intervention.
3. Whether Metrobank's delay and procedural objections failed to bar Raycor's intervention.

Court's Decision:

1. **Intervention Suit Proceeding**: The Supreme Court ruled that the trial court did not commit grave abuse of discretion in allowing Raycor's intervention suit to proceed. By granting Raycor's motion for reconsideration on June 2, 1988, the prior dismissal was effectively vacated, which reinstated the case. The main action's dismissal between Metrobank and the original defendants had no bearing on Raycor's independent claim. The Court emphasized the intervener's right to have its claims resolved, regardless of the original parties' settlement or dismissal intentions.

2. **Admitting Amended Pleading**: The Court found the trial court acted within its discretion in admitting Raycor's amended complaint in intervention. The amendment did not substantially alter the cause of action or the theory of the case, but rather clarified and supplemented the existing allegations. This action was justified to align with the purpose of understanding real disputes before trial and to avoid unnecessary procedural delays.

3. **Propriety of Intervention**: The Supreme Court highlighted Metrobank's failure to timely object when Raycor initially motioned for intervention. Metrobank's belated objections could not invalidate the intervention, particularly when no opposition was raised at the onset, indicating their initial approval.

Doctrine:

1. **Intervention Doctrine**: Intervenors, once admitted without opposition, have rights akin to the original parties, including proceeding with the suit and seeking relief even if the main case is dismissed.

2. **Amendment of Pleadings**: A trial court's discretion to permit amended pleadings, especially before trial, is broad and often upheld to substantively resolve disputes, provided amendments do not introduce wholly new causes of action.

Class Notes:

1. **Intervention**:

- Definition as per jurisprudence.
- Rights of intervenors (equal footing with original parties).
- Effect on main action dismissals.

2. **Amendment of Pleadings**:

- Discretion of trial courts.
- Criteria for allowing amendments (no substantial change to cause of action, no delay).

- Case law suggesting liberal allowance to prevent multiplicity of suits.

3. **Procedure**:

- Importance of timely objections to interventions.
- Procedure for vacating dismissal orders.

Historical Background:

This case occurs within the broader context of interpreting parties' rights and court discretion in procedural matters, such as interventions and amendments to pleadings. Historically, such flexibility supports the efficient administration of justice by reducing frivolous delays and focusing on the substantive resolution of disputes. This case reaffirms the judiciary's focus on substantial justice over procedural technicalities, promoting efficiency and fairness.