UNIVERSITY OF THE EAST, PETITIONER, VS. MARIBETH ANG WONG, RESPONDENT.

G.R. No. 150280. April 26, 2006

Ponente: CORONA, J.

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CORONA, J.:

This is a petition for review of the May 31, 2001 decision[1] of the Court of Appeals finding no grave abuse of discretion on the part of the Regional Trial Court (RTC), Branch 3, Manila[2] in issuing the writ of preliminary injunction[3] in civil case no. 99-95981.[4]

The facts follow.

The parties entered into several contracts whereby respondent leased from petitioner University of the East (UE) various canteen spaces within UE's campuses. The contracts subject of this case provided for their expiration on December 31, 1999.

In December 1998, a meeting was held to discuss reports on contaminated food sold in respondent's canteens. According to respondent, however, petitioner verbally assured her that the contracts would be renewed. Hence, she spent P700,000 for the renovation of the canteens.[5] Petitioner, on the other hand, denied this. The minutes[6] of the meeting were presented to prove that no such assurance was given. Besides, the renovation had been commenced in August 1998, months before the meeting.[7]

On September 30, October 26 and November 29 of 1999,[8] respondent was notified in writing that the lease contracts would not be renewed.

On December 22, 1999, respondent filed with the Manila RTC an urgent petition for mandatory injunction with damages[9] alleging that the non-renewal of the lease contracts would result in irreparable injury to her.

On January 17, 2000, a writ of preliminary injunction was issued after respondent posted a bond for P50,000.[10] Petitioner's motion for reconsideration was denied.[11]

In a petition for certiorari before the Court of Appeals,[12] petitioner imputed grave abuse of discretion amounting to lack of jurisdiction on the part of the trial court when it issued the writ of preliminary injunction without showing that the requisites for its issuance had been met.

On May 31, 2001, the Court of Appeals dismissed the petition.

> The issuance of a preliminary injunction rests entirely within the discretion of the court taking cognizance of the case and is generally not interfered with except in cases of manifest abuse. No manifest abuse has been shown on the part of respondent Judge de Castro, when he in fact granted preliminary injunction to serve the purpose for which it was created, which was to preserve status quo.[13]

Hence, this recourse.

Petitioner argued that to be entitled to the equitable relief of preliminary injunction respondent must indubitably show a clear and positive right to injunctive relief; otherwise the preventive aid of equity by preliminary injunction cannot be invoked.[14] Respondent's action was based on alleged verbal assurances that the contracts would be renewed which was, however, controverted by documentary evidence showing that no such commitment was made.

In her comment,[15] respondent stressed that, having leased the canteen spaces for nine years, she had a right to renew the contracts. Otherwise, serious damage in the form of lost investments and lost opportunities for income would result.

On September 30, 2002, petitioner manifested[16] that the case had become moot and academic since the extension of the lease prayed for by respondent had already lapsed.

Attached was an order dated July 24, 2002 of the trial court.[17] It read:

> At today's hearing, the Court apprised both parties thru counsels that the relief sought for in the partition has lapsed. In short, the 2-year extension of the lease prayed for by [respondent] has transpired.
>
> WHEREFORE, due to the aforesaid supervening event, the petition is now moot and academic. Accordingly, the writ of preliminary injunction previously issued is LIFTED and this petition is hereby DISMISSED. xxx
>
> [Respondent] is, however, instructed to comply with the Order dated July 11, 2002 on its rental arrearages to [petitioner.] [Respondent] is also directed to pay the accruing rentals from December 31, 2001 until she vacates the premises.

An earlier order of the trial court dated July 11, 2002[18] read:

> xxx [Respondent] has not paid the rentals for more than 2 years. The injunction issued herein was for [respondent] to continue to occupy the leased premises. However, this is not an excuse to forego the rentals. [Petitioner] states that rentals have accumulated to P12,605,469.20 as of December 31, 2001.
>
> xxx xxx xxx
> WHEREFORE, xxx [respondent] is directed to pay [petitioner] the sum of P12,605,469.20 plus the accrued rentals thereafter from (December 31, 2001).[19]

The main issue before us is the propriety of the writ of preliminary injunction issued by the trial court.

The lease contracts all expired on December 31, 1999. Respondent sought to renew the same for another two years, from December 31, 1999 to December 31, 2001. The Manila RTC issued a writ of preliminary injunction to maintain the status quo pending the determination of whether the lease contracts should be renewed or not. Therefore, on December 31, 2001, the date which marked the end of the two-year extension being sought, the writ lost its usefulness.

In fact, there is no evidence that petitioner ever agreed to the two-year extension being sought by respondent. Taken together with the trial court's finding that respondent herein was not paying her rentals, it appears that respondent was holding on to the leased spaces within the UE campuses only by virtue of the trial court's writ of preliminary injunction and not because of any express or implied meeting of the minds on the renewal of the lease. It taxes our sense of fairness to know that respondent was apparently using the judicial process to circumvent her obligation to pay the rentals due from her. Her ejectment and the collection of all arrearages from her are therefore in order, if these have not been effected yet.

WHEREFORE, the petition is hereby GRANTED.

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SO ORDERED.

Sandoval-Gutierrez, Azcuna, and Garcia, JJ., concur.
Puno, (Chairperson), J., on leave.

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* On leave

** Acting Chairperson

[1] Penned by Associate Justice Presbitero Velasco, Jr. (now Supreme Court Associate Justice) and concurred in by Associate Justices Bienvenido Reyes and Juan Enriquez, Jr. of the Special 12[th] Division of the Court of Appeals, rollo, pp. 30-36.

[2] Presided by Judge Antonio de Castro.

[3] Rollo, pp. 64-65, dated January 17, 2000.

[4] Entitled Maribeth Ong Wong/Little Vin-Vin's Canteen v. University of the East.

[5] As stated in respondent's urgent petition for mandatory injunction with damages, rollo, p. 49.

[6] Rollo, pp. 40-42.

[7] As stated in petitioner's answer, rollo, p. 58.

[8] Rollo, pp. 37-39.

[9] Id., pp. 45-52

[10] RTC Order, Id., pp. 64-65

[11] Dated February 17, 2000, Id., p. 66

[12] Rollo, pp. 67-83.

[13] Id., p. 35

[14] Petition for review, citing North Negros Sugar Co. v. Hidalgo, 63 Phil. 664 (1936); Angela Estate, Inc. v. CFI of Negros Occidental 133 Phil 561 (1968); Sangki v. Comelec, 129 Phil. 666 (1967); and Yaptinchay v. Torres, 138 Phil. 509 (1969), rollo, p. 15

[15] Dated March 25, 2002, rollo, pp. 90-97.

[16] Reply and Manifestation, dated September 27, 2002, rollo, pp. 107-108.

[17] RTC, Branch 03, Manila, rollo, p. 110.

[18] RTC , Branch 03, Manila, rollo, p. 111.

[19] As corrected in the July 24, 2002 order.

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