

COSMO ENTERTAINMENT MANAGEMENT, INC., PETITIONER, VS. LA VILLE COMMERCIAL CORPORATION, RESPONDENT.

G.R. No. 152801. August 20, 2004

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

Before the Court is the petition for review on certiorari under Rule 45 of the Rules of Court filed by Cosmo Entertainment Management, Inc. for the reversal of the Resolution[1] dated September 26, 2000 of the Court of Appeals in CA-G.R. SP No. 59819, which dismissed its petition for review for being filed out of time. Likewise, sought to be reversed and set aside is the appellate court's Resolution dated March 22, 2002 denying the petitioner's motion for reconsideration.

The case stemmed from the following factual backdrop:

The respondent, La Ville Commercial Corporation, is the registered owner of a parcel of land covered by Transfer Certificate of Title (TCT) No. 174250 of the Registry of Deeds of Makati City together with the commercial building thereon situated at the corner of Kalayaan and Neptune Streets in Makati City. On March 17, 1993, it entered into a Contract of Lease with petitioner Cosmo Entertainment Management, Inc. over the subject property for a period of seven years with a monthly rental of P250 per square meter of the floor area of the building and a security deposit equivalent to three monthly rentals in the amount of P447,000 to guarantee the faithful compliance of the terms and conditions of the lease agreement. Upon execution of the contract, the petitioner took possession of the subject property.

The petitioner, however, suffered business reverses and was constrained to stop operations in September 1996. Thereafter, the petitioner defaulted in its rental payments. Consequently, on February 1, 1997, the respondent made a demand on the petitioner to vacate the premises as well as to pay the accrued rentals plus interests which, as of January 31, 1997, amounted to P740,478.91. In reply to the demand, the petitioner averred that its unpaid rentals amounted to P698,500 only and since it made a security deposit of P419,100 with the respondent, the said amount should be applied to the unpaid rentals; hence, the outstanding accounts payable would only be P279,400. The respondent requested that the interest charges be waived and it be given time to find a solution to its financial problems.

After negotiations between the parties failed, the respondent, on May 27, 1997, reiterated its demand on the petitioner to pay the unpaid rentals as well as to vacate and surrender the premises to the respondent. When the petitioner refused to comply with its demand, the respondent filed with the Metropolitan Trial Court (MeTC) of Makati City, Branch 62, a complaint for illegal detainer, docketed as Civil Case No. 58875.

The petitioner, in its answer to the complaint, raised the defense that, under the contract, it had the right to sublease the premises upon prior written consent by the respondent and payment of transfer fees. However, the respondent, without any justifiable reason, refused to allow the petitioner to sublease the premises.

After due proceedings, the MeTC rendered judgment in favor of the respondent holding that the petitioner was bound by the terms of the contract that it could only sublease the premises upon the respondent's consent. The latter, as owner of the premises and not having waived its right under the contract, had the exclusive right to determine to whom it would sublease the same. Since the petitioner had indisputably failed to pay the monthly rentals beginning September 1996, in clear breach of the contract of lease, the respondent rightfully rescinded the same and sought judicial eviction of the petitioner. The dispositive portion of the MeTC Decision dated July 20, 1999 reads:

WHEREFORE, judgment is rendered ordering the defendant Cosmo Entertainment Management, Inc. and all persons/entities claiming rights under it to vacate the Property in question and turn its possession as well as all the improvements found thereon to the plaintiff [the respondent]; to pay the accrued rentals including interest and taxes due in the amount of P2,918,568.58 as of November 30, 1997 minus the deposit equivalent to three (3) monthly rentals and the subsequent amount of P159,000.00 commencing December, 1997 and the same amount every month thereafter as reasonable compensation for the continued and illegal use and occupancy of the Property until finally restituted to the plaintiff [the respondent]; to pay the sum of P10,000.00 for [sic] as attorney's fees plus cost of suit.

The compulsory counter-claim of the defendant [the petitioner] is DISMISSED for lack of merit. The payment of subsequent rental starting December, 1997, until the full restitution of the Property to the plaintiff [the respondent] is with interest at the legal rate reckoned from even date.

SO ORDERED.[2]

The petitioner appealed the decision to the Regional Trial Court, Branch 150 of Makati City, which rendered a decision affirming in toto the decision of the court a quo.[3] In its Decision dated June 26, 2000, the RTC concurred with the court a quo's findings that, under the terms of the contract, the respondent, as the owner-lessor of the premises, had reserved its right to approve the sublease of the same. The petitioner, having voluntarily given its consent thereto, was bound by this stipulation under the principle of mutuality of contracts.[4] Further, the petitioner is deemed to have violated the terms of the contract upon its failure to pay the monthly rentals. Consequently, its ejectment from the leased premises was justified.

The petitioner received a copy of the RTC decision on July 6, 2000. On July 21, 2000, the last day to file its petition for review on certiorari of the RTC decision, the petitioner filed with the Court of Appeals (CA) a Motion for Extension to File Petition for Review. Acting thereon, the CA, in its Resolution dated August 2, 2000, granted the same in this wise:

Subject to the timeliness of the petition, the petitioner is hereby GRANTED a non-extendible period of fifteen (15) days from 21 July 2000 or until 5 August 2000 within which to file a petition for review.

SO ORDERED.[5]

Notwithstanding the clear tenor of the said resolution, the petitioner filed, on August 4, 2000, a second Motion for Extension to File Petition for Review asking that it be given another fifteen (15) days from August 5, 2000, or until August 20, 2000, within which to file the said pleading.

On August 18, 2000, the petitioner filed its Petition for Review on Certiorari with the CA. On September 26, 2000, the CA issued the assailed Resolution denying due course to the petition for review on certiorari for having been filed out of time. The assailed resolution reads in full:

As observed by this Court the Petition for Review was filed beyond the extended period granted to the petitioner.

On 5 [should read 2] August 2000, as prayed for by the petitioner, a resolution was issued granting an inextendible period of fifteen (15) days from 21 July 2000 or until 5 August 2000 within which to file a petition for review. However, on 4 August 2000, petitioner filed a second motion for extension of time for fifteen (15) days instead of its announced petition for review. The petitioner filed the petition for review on 18 August 2000 which is thirteen (13) days beyond the extended period granted.

WHEREFORE, in view of the foregoing premises, pursuant to Section 1, Rule 42 of the 1997 Rules of Civil Procedure, the petition is hereby DENIED DUE COURSE and is accordingly DISMISSED.

SO ORDERED.[6]

A motion for reconsideration of the said resolution was filed by the petitioner, but the CA, in the assailed Resolution of March 22, 2002, denied the same as it found “no cogent reason to reverse the aforesaid Resolution.”[7]

Hence, the recourse to this Court by the petitioner. It maintains that the filing of a second motion for extension of time is allowed under Section 1, Rule 42 of the 1997 Rules of Court; the CA thus erred in denying its petition for review for being filed out of time. The petitioner asserts that technical rules on procedure ought to be relaxed to obtain substantial justice.

The petition is devoid of merit.

Rule 42 of the 1997 Rules of Court governs the filing of the petition for review with the CA from a decision of the RTC in the exercise of its appellate jurisdiction. Section 1 thereof reads:

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, paying at the same time to the clerk of said court the corresponding docket and other lawful fees, depositing the amount of P500.00 for costs, and furnishing the Regional Trial Court and the adverse party with a copy of the petition. The petition shall be filed and served within fifteen (15) days from notice of the decision sought to be reviewed or of the denial of petitioner’s motion for new trial or reconsideration filed in due time after judgment. Upon proper motion and the payment of the full amount of the docket and other lawful fees and the deposit for costs before the expiration of the reglementary period, the Court of Appeals may grant an additional period of fifteen (15) days only within which to file the petition for review. No further extension shall be granted except for the most compelling reason and in no case to extend fifteen (15) days.

A plain reading of the above provision shows that a party is given fifteen (15) days from notice of the adverse RTC decision or denial of the motion for reconsideration within which to file a petition for review with the CA and pay at the same time the required appellate docket and other lawful fees. Further, the said provision provides that the CA, upon filing of a motion for extension and payment of the appellate docket and other lawful fees within the reglementary period, may grant an additional period of fifteen (15) days only within which to file the petition for review. As a general rule, no further extension shall be granted except for the most compelling reason and in no case to extend fifteen (15) days.

In this case, the CA did grant the petitioner an extension of fifteen (15) days within which to file its petition for review. However, the appellate court expressly qualified that the additional period shall be a “non-extendible period of fifteen (15) days from 21 July 2000 or until 5 August 2000.” It thus behooved the petitioner, through its counsel, to comply with such directive and file its petition for review within the said period.

Motions for extensions are not granted as a matter of right but in the sound discretion of the court, and lawyers should never presume that their motions for extensions or postponement will be granted or that they will be granted the length of time they pray for.[8] With more reason in this case where the petitioner, or its counsel,

asked for a second motion for extension of time, which, as a general rule, is not granted except for the most compelling reason.

Reasons such as “pressure of work on equally important cases” are addressed to the sound discretion of the CA.[9] Obviously, in this case, the reason advanced by the petitioner’s counsel in asking for a second motion for extension of time, i.e. “heavy volume of work and equally urgent filings in courts and administrative agencies,”[10] was not considered a compelling reason by the CA as it subsequently denied the petition for review for being filed out of time. The CA could not be faulted for this. In fact, this Court had held that pressure and large volume of work do not excuse a party for filing the petition for certiorari out of time.[11] When the petitioner thus filed its petition for review on certiorari beyond the extended period, the CA had the reason to deny the same outright.

While, exceptionally, the Court had adopted a liberal stance in the application of the rules of procedure, the circumstances obtaining in the present case, as earlier discussed, do not convince this Court to take exception. The following pronouncement, on the other hand, is quite apropos:

While petitioner pleads that a liberal, not literal, interpretation of the rules should be our policy guidance, nevertheless procedural rules are not to be disdained as mere technicalities. They may not be ignored to suit the convenience of a party. Adjective law ensures the effective enforcement of substantive rights through the orderly and speedy administration of justice. Rules are not intended to hamper litigants or complicate litigation. But they help provide for a vital system of justice where suitors may be heard in the correct form and manner, at the prescribed time in a peaceful though adversarial confrontation before a judge whose authority litigants acknowledge. Public order and our system of justice are well served by a conscientious observance of the rules of procedure...[12]

In any case, the Court is convinced that the findings and conclusions of the court a quo and the RTC are in order. These courts uniformly found that, under the terms of the contract of lease, the respondent, as the owner-lessor of the premises, had reserved its right to approve the sublease of the same. The petitioner, having voluntarily given its consent thereto, was bound by this stipulation. And, having failed to pay the monthly rentals, the petitioner is deemed to have violated the terms of the contract, warranting its ejectment from the leased premises. The Court finds no cogent reason to depart from this factual disquisition of the courts below in view of the rule that findings of facts of the trial courts are, as a general rule, binding on this Court.[13]

WHEREFORE, the petition is DENIED. The Resolutions dated September 26, 2000 and March 22, 2002 of the Court of Appeals in CA-G.R. SP No. 59819 are AFFIRMED in toto.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Tinga, and Chico-Nazario, JJ., concur.

[1] Penned by Associate Justice Andres B. Reyes, Jr., with Associate Justices Cancio C. Garcia and Romeo A. Brawner, concurring.

[2] CA Rollo, p. 196.

[3] Id. at 42.

[4] The RTC cited Article 1306 of the Civil Code which reads: “The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order, or public policy.”

- [5] CA Rollo, p. 7. (Underscoring ours.)
- [6] Rollo, pp. 91-92.
- [7] Id. at 107.
- [8] Ramos v. Dajoyag, Jr., 378 SCRA 229 (2002).
- [9] Commissioner of Internal Revenue v. Court of Appeals, 351 SCRA 436 (2001).
- [10] CA Rollo, p. 8.
- [11] Ramos v. Dajoyag, Jr., supra.
- [12] Commissioner of Internal Revenue v. Court of Appeals, supra.
- [13] Silverio v. Court of Appeals, 407 SCRA 240 (2003).

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