LA CAMPANA DEVELOPMENT CORPORATION, PETITIONER, VS. ARTURO LEDESMA, HON. JUDGE ESTRELLA T. ESTRADA, IN HER CAPACITY AS PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH 83, QUEZON C...

G.R. No. 154152. August 25, 2010

Ponente: PERALTA, J.

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PERALTA, J.:

This resolves the Petition for Certiorari under Rule 65 of the Rules of Court, praying that the Resolution[1] of the Court of Appeals (CA), dated February 13, 2002, ordering the issuance of a writ of preliminary injunction, and its Resolution[2] dated June 28, 2002 denying petitioner's motion for reconsideration, be declared null and void ab initio.

The antecedent facts are as follows.

Petitioner filed an ejectment case with the Metropolitan Trial Court (MeTC) against private respondent Ledesma, alleging that despite expiration of the contract of lease executed between them and demands to vacate subject premises and pay rentals therefor, the latter failed to comply with such demands. Private respondent countered in his Answer that he had paid the rentals over subject premises and petitioner no longer had the right to possess the property as it had been foreclosed by the Development Bank of the Philippines (DBP). Private respondent further pointed out that subject premises had in fact been in the possession of the DBP since March or April of 1997, so since that time, it was with the DBP that he made arrangements for his continued occupation of the subject premises.

The MeTC then rendered judgment in favor of petitioner, ordering private respondent to surrender possession of subject premises to petitioner. Private respondent appealed to the Regional Trial Court (RTC), and to stay execution of said judgment, private respondent filed a supersedeas bond with the MeTC.

The RTC affirmed the MeTC judgment. Petitioner then moved for the immediate execution of the RTC Decision, which motion was granted by the RTC. Meanwhile, private respondent elevated the case to the CA via a petition for review on certiorari with prayer for the issuance of a temporary restraining order or writ of preliminary injunction. A temporary restraining order was issued by the CA, effectively staying implementation of the writ of execution issued by the RTC. Eventually, the CA also issued a writ of preliminary injunction per Resolution dated February 13, 2002. In justification of the issuance of said writ, the CA stated in said Resolution that:

> Based on the evidence before Us, We are convinced that the execution of the assailed decision of the RTC at this stage will probably cause injustice to the petitioner [herein private respondent]. We cannot ignore Our ruling in CA-GR CV No. 34856 which had already attained finality. The facts on hand show that the DBP is the present owner of the leased premises. The only person who can lawfully eject an unwelcome tenant from the leased premises is the owner thereof or persons deriving rights from said owner, of which private respondent [herein petitioner], in its Opposition to the present motion, does not pretend to be. Contrary to the

> stand of the respondent, the petitioner is not estopped from questioning the title of respondent over the leased premises as the rule on estoppel against tenants is subject to a qualification. It does not apply if the landlord's title has expired, or has been conveyed to another, or has been defeated by a title paramount, subsequent to the commencement of lessor-lessee relationship. In other words, if there was a change in the nature of the title of the landlord during the subsistence of the lease, then the presumption does not apply.

Petitioner's motion for reconsideration of said Resolution was denied on June 28, 2002.

Thus, petitioner filed the present petition for certiorari seeking the annulment of the aforementioned CA Resolutions.

The issues boil down to whether the CA committed grave abuse of discretion amounting to lack or excess of jurisdiction when it ordered the issuance of a writ of preliminary injunction to stay the immediate execution of the RTC judgment and whether mandamus lies to compel respondent RTC Judge to issue a writ of execution.

The Court finds the petition unmeritorious.

For the Court to issue a writ of certiorari against the CA, it is incumbent upon petitioner to show that said lower court committed grave abuse of discretion. In Quasha Ancheta Peña & Nolasco Law Office v. Special Sixth Division, Court of Appeals,[3] the Court stated that:

> Grave abuse of discretion means a capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction. Mere abuse of discretion is not enough; it must be so grave as when the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and must be so patent and so gross as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation or law.[4]

A showing of such grave abuse of discretion is sorely wanting in this case.

It is true that Section 21, Rule 70 of the Rules of Court provides that "[t]he judgment of the Regional Trial Court against the defendant shall be immediately executory, without prejudice to a further appeal that may be taken therefrom." However, the Court ruled in Benedicto v. Court of Appeals[5] that "on appeal the appellate court may stay the said writ should circumstances so require. x x x even if RTC judgments in unlawful detainer cases are immediately executory, preliminary injunction may still be granted." Citing Amagan v. Marayag[6] and Vda. de Legaspi v. Avendaño,[7] the Court explained in Benedicto that:

> Where the action, therefore, is one of illegal detainer, as distinguished from one of forcible entry, and the right of the plaintiff to recover the premises is seriously placed in issue in a proper judicial proceeding, it is more equitable and just and less productive of confusion and disturbance of physical possession, with all its concomitant inconvenience and expenses. For the Court in which the issue of legal possession, whether involving ownership or not, is brought to restrain, should a petition for preliminary injunction be filed with it, the effects of any order or decision in the unlawful detainer case in order to await the final judgment in the more substantive case involving legal possession or ownership. x x x[8]

Moreover, the Court also stressed in City of Naga v. Asuncion[9] that:

> As a rule, the issuance of a preliminary injunction rests entirely within the discretion of the court taking cognizance of the case and will not be interfered with, except in cases of manifest abuse. x x x
>
> x x x x
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> x x x Be it noted that for a writ of preliminary injunction to be issued, the Rules of Court do not require that the act complained of be in clear violation of the rights of the applicant. Indeed, what the Rules require is that the act complained of be probably in violation of the rights of the applicant. Under the Rules, probability is enough

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> basis for injunction to issue as a provisional remedy. x x x[10]

In the afore-quoted case, the Court reiterated that when exigencies in the case warrant it, the appellate court may stay the writ of execution issued by the RTC in an action for ejectment if there are circumstances necessitating such action. An example of such exceptional circumstance can be seen in Laurel v. Abalos.[11] Therein, a defendant was ordered by the trial court to vacate the premises of the disputed property and return possession thereof to the plaintiffs, but while the ejectment case was on appeal, a judgment was promulgated in a separate case where the sale of the property to said plaintiffs was declared null and void, making the plaintiffs' right to possess the disputed property inconclusive. The Court ruled in said case that:

> Where supervening events (occurring subsequent to the judgment) bring about a material change in the situation of the parties which makes the execution inequitable, or where there is no compelling urgency for the execution because it is not justified by the prevailing circumstances, the court may stay immediate execution of the judgment.[12]

Based on the foregoing earlier ruling in Laurel,[13] the Court also considered it just and equitable to stay the execution of the RTC judgment in an ejectment case against the City of Naga, stating that:

> Needless to reiterate, grave and irreparable injury will be inflicted on the City of Naga by the immediate execution of the June 20, 2005 RTC Decision. x x x the people of Naga would be deprived of access to basic social services. It should not be forgotten that the land subject of the ejectment case houses government offices which perform important functions vital to the orderly operation of the local government. x x x[14]

In the present case, there also exists a material change in the situation of the parties. The CA properly took into serious consideration the fact that in its Decision in CA-G.R. CV No. 34856 entitled La Campana Food Products, Inc. v. Development Bank of the Philippines, which has become final and executory, it ordered herein petitioner, formerly known as La Campana Food Products, Inc., to surrender possession of subject properties to the Development Bank of the Philippines. Evidently, a serious cloud of doubt has been cast on petitioner's right of possession, making it questionable whether the RTC Decision, ordering private respondent to surrender possession of subject premises to petitioner, should be immediately implemented. Therefore, the CA did not gravely abuse its discretion in this case; rather, it acted prudently when it stayed execution of the RTC Decision until such time that a final resolution of the main case is reached.

Petitioner's contention, that it was improper for the CA to have granted private respondent's motion to consider the supersedeas bond it posted with the Metropolitan Trial Court as sufficient to cover the bond required for the issuance of the writ of preliminary injunction, is likewise incorrect. Petitioner argues that, "said supersedeas bond is posted solely and primarily to answer for a specific purpose which is for the payment of unpaid rentals accruing up to the final judgment. This cannot be held answerable for damages to petitioner should it later be found out that the private respondent is not entitled to the issuance [of a writ of preliminary injunction]."[15]

Note that Section 4(b), Rule 58 of the Rules of Court provides that:

> (b) Unless exempted by the court, the applicant files with the court where the action or proceeding is pending, a bond executed to the party or person enjoined, in an amount to be fixed by the court, to the effect that the applicant will pay to such party or person all damages which he may sustain by reason of the injunction or temporary restraining order if the court should finally decide that the applicant was not entitled thereto. Upon approval of the requisite bond, a writ of preliminary injunction shall be issued;

However, in Hualam Construction and Dev't. Corp. v. Court of Appeals,[16] the Court expounded on what damages may be recovered in actions for forcible entry or unlawful detainer, to wit:

> As to damages, We have on several occasions ruled that since the only issue raised in forcible entry or

> unlawful detainer cases is that of rightful physical possession, the "damages" recoverable in these cases are those which the plaintiff could have sustained as a mere possessor, i.e., those caused by the loss of the use and occupation of the property, and not the damages which he may have suffered but which have no direct relation to his loss of material possession. x x x Simply put, "damages" in the context of Section 8 of Rule 70 [now Section 19, Rule 70 of the Rules of Court] is limited to "rent" or "fair rental value" for the use and occupation of the property.[17]

Since the only damages that petitioner may be entitled to in an action for unlawful detainer are those arising from its loss of the use or occupation of subject premises, the only damages petitioner can claim by reason of the stay of execution of the RTC judgment is also only for the "rent" or "fair rental value" for the property in question. Therefore, the CA did not err in considering the supersedeas bond filed with the MTC, which answers for unpaid rentals, as sufficient bond for the issuance of a writ of preliminary injunction.

In light of the foregoing, it is quite clear that there is no reason to compel the RTC to immediately implement the writ of execution in this case.

WHEREFORE, the petition is DISMISSED for lack of merit. The Resolutions of the Court of Appeals, dated February 13, 2002 and June 28, 2002, respectively, in CA-G.R. SP No. 66668, are AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Nachura, Abad, and Mendoza, JJ., concur.

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[1] Penned by Associate Justice Cancio C. Garcia, with Associate Justices Marina L. Buzon and Alicia L. Santos, concurring; rollo, pp. 104-113.

[2] Rollo, pp. 128-130.

[3] G.R. No. 182013, December 4, 2009, 607 SCRA 712.

[4] Id. at 721-722. (Emphasis supplied.)

[5] G.R. No. 157604, October 19, 2005, 473 SCRA 363.

[6] 383 Phil. 486 (2000).

[7] 169 Phil. 138 (1977).

[8] Benedicto v. Court of Appeals, supra note 5, at 370-371.

[9] G.R. No. 174042, July 9, 2008, 557 SCRA 528.

[10] Id. at 545.

[11] 140 Phil. 532 (1969).

[12] Id. at 544. (Emphasis supplied.)

[13] Id.

[14] City of Naga v. Asuncion, supra note 9, at 546.

[15] Petitioner's Memorandum, rollo, p. 312.

[16] G.R. No. 85466, October 16, 1992, 214 SCRA 612.

[17] Id. at 624-625.

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