

THIRD DIVISION

[G.R. No. 123332, February 03, 1997]

**AUGUSTO GATMAYTAN, PETITIONER, VS. COURT OF APPEALS,
AND METROPOLITAN BANK TRUST COMPANY, RESPONDENTS.
D E C I S I O N**

NARVASA, C.J.:

Involved in this contempt proceeding are no less than nine (9) separate judicial remedies availed of by the same party, all directed principally at impugnation of the jurisdiction of the Metropolitan Trial Court over an ejectment suit, in order to cause its indefinite delay if not indeed to bring about its dismissal. The resort to these remedies has prevented the progress of the ejectment suit. More than ten (10) years after its commencement, it has yet to be tried and resolved in the court of origin.

**The "Mother Action:"
Civil Case No. 32033**

On November 3, 1986, Metropolitan Bank & Trust Company (Metrobank) filed with the Metropolitan Trial Court of Makati, Branch 61,^[1] an ejectment suit against the law firm identified as "CIAGLO" (Caparas Ilagan Alcantara & Gatmaytan Law Office). The suit was docketed as Civil Case No. 32033.^[2] It was instituted by Metrobank as successor-in-interest of the owner of the building in question - Fortune Motors, Inc. The defendant, CIAGLO, was occupying space in the building as sub-lessee of a lessee, Canlubang Automotive Resources Corporation (CARCO); and it was sued for its failure to pay rentals and electric bills amounting to P76,224.99. In its Answer with Counterclaim, CIAGLO set up the defenses, among others, that (a) ownership of the leased premises was subject of a pending case between METROBANK and Fortune Motors, Inc.; (b) implementation of METROBANK's writ of possession had been enjoined by the Court of Appeals; (c) it (CIAGLO) had a valid and effective arrangement with CARCO regarding the leased area; (d) the rent and electricity charges were unreasonable and unconscionable.^[3]

Thereafter, the cases and proceedings hereunder outlined were instituted by Augusto Gatmaytan, a partner of CIAGLO, singly or jointly with his law firm.

1. Civil Case No. 17873

On September 21, 1987 — during the pendency of Civil Case No. 32033 — Gatmaytan filed an action in the Regional Trial Court (RTC) of Makati, Branch 145. [4] It was described as one "for declaratory relief, prohibition and damages,"[5] and docketed as Civil Case No. 17873. CIAGLO later joined as plaintiffs. The complaint alleged that in Case No. 32033, "the question of possession ** (was) intertwined with that of ownership;" "METROBANK's alleged ownership ** is pending determination ** by the Regional Trial Court;" there is "no privity of contract"

between METROBANK and CIAGLO, and the latter's sub-lessor has not been impleaded; METROBANK "is bound to respect the lease between Fortune and CARCO." The prayer was chiefly to declare (a) the MTC without jurisdiction over the unlawful detainer case and without power to conduct further proceedings therein; and (b) Metrobank, as bound to respect CIAGLO's sublease.^[6] Named respondents were Metrobank and the presiding Judge of Branch 61, Metropolitan Trial Court (MTC) of Makati.

This action was however given short shrift by the Makati RTC, Br. 145, which dismissed it in an Order dated January 28, 1988^[7] for the reason that: (a) Gatmaytan could not ask that METROBANK be declared bound to respect CIAGLO's sub-lease "because there is already an action pending in another court involving the same issue;" (b) prohibition was improper because Gatmaytan had an adequate remedy in the unlawful detainer case filed against his firm from which, in case of an adverse judgment, appeal could be taken; (c) the MTC had exclusive original jurisdiction over the ejectment case filed by METROBANK against CIAGLO the pendency whereof abates Case No. 17873 filed by CIAGLO against METROBANK; and (d) damages may not be claimed in an action of prohibition or certiorari.

Gatmaytan filed a motion for reconsideration, and an "amended complaint (by substitution before responsive pleading)"^[8] in connection with which he subsequently twice moved that respondents be declared in default, allegedly for failure to answer.

2. CA-GR SP No. 14116

Before the RTC could act on the motion for reconsideration, the amended complaint, and the motions for default, CIAGLO filed a petition with the Court of Appeals against the Makati RTC, Branch 145; the Makati MTC, Branch 61; and METROBANK. In that petition, docketed as CA-GR SP No. 14116,^[9] CIAGLO prayed for judgment commanding (a) the Makati RTC (Br. 145) to give due course to its amended complaint in Civil Case 17873; (b) the MTC (Br. 61), to dismiss or suspend proceedings in Civil Case No. 32033; and (c) METROBANK to pay it damages of at least P200,000.00. Named respondents were (i) the RTC of Makati (Br. 145), (ii) the MTC of Makati (Br. 61), and (iii) Metrobank.^[10]

3. CA-GR CV No. 18292

Meanwhile, by Order dated April 18, 1988, the Makati RTC (Br. 145) denied CIAGLO's motion for reconsideration of its order dismissing Civil Case 17873. CIAGLO thereupon appealed the order to the Court of Appeals, its appeal being docketed as CA-GR CV No. 18292.^[11] CIAGLO contended that (a) as sub-lessee, it was a possessor in good faith entitled to the peaceful enjoyment of the leased premises; (b) its rights under its sub-lease from CARCO were violated by METROBANK when it attempted to impose and collect a much higher and exorbitant rental, etc.; (c) since METROBANK failed to pursue any action against CARCO, it (CIAGLO) is not bound to pay any rental to the bank; (d) there is a pending action between Fortune and METROBANK involving ownership of the building; and (e) the result of the action brought by CIAGLO in the RTC "would be conclusive adjudication" of the ejectment suit in the MTC.

By Resolution dated July 16, 1990, the appeal was dismissed and the challenged dispositions affirmed.[12] The Appellate Tribunal pointed out that (a) under the law, "the rights of a possessor in good faith do(*) not apply to a lessee or sub-lessee;" (b) the issues raised by CIAGLO "are matters and defenses that it may set up in the ejectment suit earlier filed against it * *, in fact, * * (it) set up these defenses in its answer;" (c) CIAGLO's "linking the issue of ownership with the issue of possession * * (did) not divest the MTC of its exclusive jurisdiction over cases of forcible entry and unlawful detainer;" (d) in not claiming ownership of the building, CIAGLO "cannot in an ejectment raise such issue and deny title to Metrobank;" (e) in any case, "Metrobank's title over said building is already beyond debate at this time." The Court also rejected CIAGLO's contention that its amended complaint in C.C. No. 17873 should have been admitted as "fallacious and untenable," the original complaint having already been dismissed for want of jurisdiction and the amendment being precisely aimed at conferring jurisdiction by eliminating the objectionable portion thereof.

4. G.R. No. 87891

CA-GR SP No. 14116 was also dismissed by the Court of Appeals (First Division) by judgment promulgated on December 16, 1988,[13] The Court adjudged CIAGLO's petition to be without "any grain of merit." It ruled that "linking the issue of ownership with the issue of possession cannot divest MTC with their exclusive original jurisdiction over cases of unlawful detainer," a proposition that CIAGLO could not circumvent "by later filing Civil Case No. 17873 in the respondent RTC." The Court observed that CIAGLO's remedy against the MTC interlocutory Order denying its motion to dismiss or suspend proceedings was a challenge "via certiorari," not the filing of Civil Case No. 17873 "which is a combination of an action for declaratory relief, prohibition and damages," and rightly ordered dismissed for being "inapropos."^[14] Reconsideration was denied by Resolution dated April 10, 1989.

In an attempt to reverse that dismissal, CIAGLO "or Augusto Gatmaytan" came to this Court. The dismissal was however upheld by this Court in a Resolution dated July 13, 1989 in G.R. No. 87891. In throwing out CIAGLO's petition, this Court said:

" * * It appears that, basically, petitioner * * (CIAGLO) questions the jurisdiction of the * * (MTC) over the ejectment suit filed by * * (Metrobank) against it for non-payment of rentals and electric bills on grounds, foremost of which are, that (1) the ownership of the leased premises is the subject of a pending case between Metrobank and Fortune Motors (Phils.), Inc.; and (2) the implementation of the writ of possession of Metrobank over the leased premises has been enjoined by the Court of Appeals. Both the * * (RTC) and respondent Court of Appeals rejected * * (CIAGLO'S) arguments. In the instant case which reiterates the same arguments, We find that the appellate court correctly ruled that linking the issue of ownership with the issue of possession will not divest the MTC of its exclusive jurisdiction over cases of forcible entry and unlawful detainer under B.P. 129, Section 33(2). Besides, * * (CIAGLO) in not claiming ownership of the building cannot in an ejectment case raise such issue and deny title to Metrobank (see Tui v. Court of Appeals, L-32626, January 28, 1971, 37 SCRA 100). Further, We take judicial notice of the fact that Metrobank's writ of possession over

the Fortune Building has been upheld by this Court in G.R. No. 76430 (not 76480) (Fortune Motors [Phils.] Inc. v. Metropolitan Bank and Trust Co., et al., in the resolution of February 23, 1988.”

CIAGLO’s motion for reconsideration was denied by Resolution dated September 4, 1989.[15] 5. G.R. No. 95992 CIAGLO challenged the judgment of the Court of Appeals of July 16, 1990 in CA-GR CV No. 18292, supra. It filed with this Court a petition for review, docketed as G.R. No. 95992, raising the following issues:

(a) Did the Court of Appeals commit an error of law, abuse its discretion, act arbitrarily, and deny petitioner full hearing, due process, and justice, in failing to find and hold that petitioner (plaintiff) sub-lessee has a cause of action for damages and injunctive relief arising from private respondent (defendant)’s interference with petitioner’s sublease and disturbance of its possession of the sub-leased premises, as well as from private respondent’s manifest acts of coercion, harassment, intimidation, tort, abuse of right, and oppression, in violation of the law and of sub-lessee’s rights as alleged purchaser at auction sale of the sub-leased premises.

(b) Did the Court of Appeals commit an error of law, abuse its discretion, act arbitrarily, and deny petitioner full hearing, due process, and justice, in finding and holding that petitioner (plaintiff)’s causes of action are abated or barred by an ejectment suit which cannot be sustained and ought to be dismissed on various grounds, particularly, lack of cause of action and/or intertwined with issues which are beyond the jurisdiction of the Metropolitan Trial Court.

(c) Did the Metropolitan Trial Court commit an error of law, abuse its discretion, act arbitrarily, and deny petitioner full hearing, due process, and justice, in refusing to dismiss an ejectment suit against a designated or named defendant “law office” by an alleged purchaser of leased and subleased premises, without suing the lessee-sublessor that had apparently surrendered its lease, for alleged failure to sign a contract of lease and pay a much higher rental in disregard of the special arrangement of sublease between the lessee-sublessor and petitioner.

(d) Did the Metropolitan Trial Court commit an error of law, abuse its discretion, act arbitrarily, and deny petitioner full hearing, due process, and justice, in setting and hearing, without adequate notice to petitioner, the ejectment suit in the absence of petitioner’s counsel who had to appear at a previously scheduled hearing before the Regional Trial Court (in Antipolo, Rizal), and setting another hearing pending final resolution of CA-G.R. No. 18292, without conducting pre-trial proceedings and pending omnibus motion (to reconsider the order denying petitioner’s motion to dismiss that failed to resolve the issues raised, to strike out private respondent’s evidence received in the absence of petitioner’s counsel), request (to admit) and written interrogatory.

However, this Court dismissed the petition by Resolution dated February 25, 1991 “for failure to sufficiently show that the Court of Appeals had committed any

reversible error in the questioned judgment.”^[16]

6. Motion to Dismiss Case No. 32033

Earlier, or on October 10, 1989 - after the MTC (Branch 61) had scheduled Civil Case No. 32033 for trial on October 23, 1989 - CIAGLO filed a motion for the dismissal of Civil Case No. 32033, a motion it reiterated on June 5, 1990. The motions, founded upon substantially the same grounds previously alleged, were denied by an Order dated September 25, 1990, which also set the case for trial on November 9, 1990. On this date, CIAGLO filed a motion for postponement, a request for admission, written interrogatories, and an omnibus motion. These were all denied by the Court in an Order dated June 4, 1991.

7. Civil Case No. 91-1908

CIAGLO and/or Gatmaytan then filed with the Makati RTC (Br. 61) on July 9, 1991, a petition for certiorari, prohibition and mandamus, particularly praying (a) that the Orders of the Makati MTC, Branch 61 of September 25, 1990 and June 4, 1991 be nullified; (b) that the MTC be prohibited to conduct further proceedings in Civil Case No. 32003; and (c) that Case No. 32003 be dismissed. This action was docketed as Civil Case No. 91-1908.^[17]

8. CA-GR SP No. 33314

Civil Case No. 91-1908 was dismissed by the Makati Regional Trial Court (Br. 61) by Order promulgated on September 30, 1992.

Its motion for reconsideration having been denied, CIAGLO filed a petition to set aside the Order of September 30, 1992 with the Court of Appeals.^[18] There, the case was docketed as CA-GR SP No. 33314,^[19] and the following questions were raised:

(a) Is the ejectment complaint where ownership is raised one for recovery of possession within the jurisdiction of the RTC?

(b) does the complaint state a cause of action against a law office that has no juridical personality?

(c) is a purchaser at public auction of leased property (METROBANK) bound to respect the lease and sub-lease existing thereon at the time of the mortgage and sale?

(d) does METROBANK have a cause of action to eject a sub-lessee which has a contract of sub-lease from the lessee, and which is lawfully in possession?

(e) does METROBANK have a cause of action to eject a sub-lessee of its building, absent privity of contract?

(f) what is the liability for rental of the sub-lessee, and is he subject to