

FIRST DIVISION

[G.R. No. 103149, November 15, 2000]

**PHILIPPINE COMMERCIAL INTERNATIONAL BANK, PETITIONER,
VS. HON. COURT OF APPEALS, JUDGE NICASIO O. DE LOS REYES,
PRESIDING JUDGE, REGIONAL TRIAL COURT, DAVAO CITY,
BRANCH 11, MARIA LETBEE ANG, BLANQUITA ANG, LETICIA L.
ANG HERNANDEZ, JESUS L. ANG, JR., LORETA L. ANG,
BONIFACIO L. ANG, LORENA L. ANG, LANI L. ANG, JEMMUEL L.
ANG AND LIZA L. ANG, RESPONDENTS.**

D E C I S I O N

PARDO, J.:

The case under consideration is a petition for review on certiorari of the decision^[1] of the Court of Appeals dismissing the petition of the Philippine Commercial International Bank (PCIBank) for certiorari and prohibition with preliminary injunction, and denying the motion for reconsideration of PCIBank.

On June 5, 1990, PCIBank filed with the Regional Trial Court, Davao City, Branch 11^[2] a claim for payment of a loan account.^[3] PCIBank alleged that on November 28, 1983 and September 18, 1984, the decedent, Jesus T. Ang, Sr., executed a surety agreement and real estate mortgage, respectively, in favor of PCIBank's predecessor-in-interest (Insular Bank of Asia and America) to secure a loan extended by it to JA Enterprises.

According to PCIBank, the outstanding obligation of the decedent as of November 20, 1989, amounted to P5,883,779.74. PCIBank caused the extra-judicial foreclosure of the mortgaged property and its sale at public auction; however, it failed to recover the full amount of decedent's obligation. On December 20 and 21, 1989, the deputy sheriff of Davao City issued two provisional certificates of sale^[4] stating that the mortgaged parcels of land were sold to the sole and highest bidder, PCIBank, at an auction sale, for the amount of P2,080,100.00 and P1,269,600.00, respectively. Thus, PCIBank filed its claim against the estate of Jesus T. Ang, Sr. to recover the deficiency of P2,703,818.12 and attorney's fees of P781,325.22.

On September 25, 1990, Maria Letbee L. Ang, judicial administratrix of the estate of Jesus T. Ang, Sr., filed an opposition to PCIBank's claim, questioning the interest rates imposed by PCIBank.^[5] According to Ang, PCIBank imposed usurious and illegal interest rates and the amount sought to be collected "would in effect practically wipe out the entire holdings of the intestate estate of the decedent."^[6]

On September 14, 1990, Blanquita L. Ang, wife of the decedent, filed a motion for leave to intervene in the proceedings to dispute the claim of PCIBank,^[7] attaching a copy of her complaint-in-intervention. Blanquita Ang maintained that she had legal

interest in the subject of the claims of petitioner bank, being the legal wife of the decedent and considering that the property involved belonged to the conjugal partnership, to which she was entitled to one-half share. She neither encumbered her conjugal share nor conformed to any encumbrance. She was not a party to the execution of the agreements entered into between the decedent and petitioner bank involving conjugal property of the spouses Ang because, due to her meager educational attainment, she was neither aware nor apprised of the business transactions entered into by her husband. It was her husband alone who conducted the management, administration and operations of the business ventures and property.^[8]

On September 24, 1990, the trial court granted Blanquita's motion to intervene and ordered her to file additional copies of her complaint-in-intervention to be attached to the summons to be served upon defendants-in-intervention.^[9]

On October 24, 1990, Blanquita Ang filed with the Regional Trial Court, Davao City, Branch 11 a petition for preliminary injunction^[10] to enjoin PCIBank and the other defendants-in-intervention from consolidating title in the name of PCIBank, canceling any of the certificates of title of the mortgaged property and issuing new certificates of title in the name of PCIBank. Blanquita Ang alleged that several documents purporting to be promissory notes and real estate mortgages covering various parcels of land included her share in the conjugal property. However, she denied being a party to any of those documents.

On November 5, 1990, PCIBank received a copy of respondent Blanquita L. Ang's petition for preliminary injunction. Thereafter, PCIBank filed its opposition, stating that the application was premature because PCIBank had not received a copy of Blanquita Ang's complaint-in-intervention.^[11]

On November 23, 1990, PCIBank received a copy of the complaint-in-intervention of Blanquita Ang. Thereafter, it filed with the trial court an urgent motion for extension of time to file "responsive or any other pleadings" to the complaint-in-intervention.^[12]

On November 28, 1990, the trial court issued an order resetting the date of hearing of the application of preliminary injunction to December 4, 1990, and notified the parties accordingly.^[13]

At the scheduled hearing on December 4, 1990, the trial court denied PCIBank's motion for extension to file a responsive pleading. The trial court then proceeded to hear the application for the issuance of preliminary injunction. PCIBank objected to the continuation of the hearing on the application for preliminary injunction, manifesting in open court that since he had not yet filed an answer to the complaint-in-intervention, the hearing on the application should not proceed. The trial court overruled the objection. Consequently, PCIBank's counsel walked out of the courtroom. The trial court then allowed intervenor Blanquita Ang to present her evidence *ex-parte*.

On December 6, 1990, the trial court issued an order granting the application for preliminary injunction and required the filing of an injunction bond in the amount of P10,000.00.^[14]

On December 13, 1990, following the posting of the bond by respondent Blanquita Ang, the trial court issued a writ of preliminary prohibitory injunction ordering the Provincial Sheriff, Regional Trial Court, Davao City, Register of Deeds, Davao City, and PCIBank "to cease, desist, refrain from, suspend, stop and defer any act or acts whatsoever, whether directly or indirectly, which tend to enforce the effects of the foreclosure proceedings and auction sale conducted on 20 December 1989, x x x, or cause and implement the cancellation of any of the above identified certificates of title which are now in the name of the spouses Jesus T. Ang, Sr. and Blanquita L. Ang, or issue in lieu thereof any new certificates of title or titles in the name of Philippine Commercial and International Bank or any other person or entity, until further order of this Court."^[15]

However, on December 12, 1990, the Court of Appeals, upon petition by PCIBank, issued a temporary restraining order for respondent judge to desist from conducting further proceedings in Special Proceedings Case No. 3215.^[16]

On December 17, 1990, PCIBank filed with the Court of Appeals a Supplemental Petition,^[17] insisting that the enforcement of the writ of preliminary prohibitory injunction issued by the trial court on December 13, 1990 could no longer be done in view of the restraining order issued by the Court of Appeals on December 12, 1990.

On October 22, 1991, the Court of Appeals dismissed PCIBank's petition and supplemental petition for prohibition and certiorari with preliminary injunction.^[18] On December 9, 1991, the Court of Appeals likewise denied the motion for reconsideration filed by PCIBank.^[19]

Hence, this petition.^[20]

At issue is whether the Court of Appeals erred in affirming the issuance of a writ of preliminary injunction by the Regional Trial Court, Davao City, Branch 11 in Special Proceedings Case No. 3215-90, pertaining to the claim of petitioner PCIBank.

Petitioner submitted that such issuance was premature, because no answer was filed yet and the issues had not been joined. Petitioner also contended that the trial court had no jurisdiction to issue the injunctive writ because it effectively determined the question of ownership over the property, which question was beyond the jurisdiction of the probate court. Moreover, the writ was issued despite the prior issuance by the appellate court of a temporary restraining order enjoining the trial court from continuing its proceedings.

According to respondents, petitioner's insistence that the hearing on the application for injunctive writ should not proceed due to the non-joinder of issues was a mere delaying tactic intended to force the lapse of the redemption period on December 20, 1990, thus rendering the right of redemption moot and academic.

Respondents denied raising any issue of ownership because the titles to the property unquestionably belonged to Blanquita Ang as the legal heir and surviving widow of Jose Ang, and the titles to the foreclosed property had not been consolidated in the name of petitioner bank.