

FIRST DIVISION

[G.R. No. 128349, September 25, 1998]

**BACHRACH CORPORATION, PETITIONER, VS. THE HONORABLE
COURT OF APPEALS AND PHILIPPINE PORTS AUTHORITY,
RESPONDENTS.**

D E C I S I O N

VITUG, J.:

Bachrach Corporation ("Bachrach"), in its petition for review on certiorari, questions the decision of the Court of Appeals in CA-G.R. SP No. 38763, promulgated on 12 November 1996, the dispositive part of which reading -

"WHEREFORE, the petition is granted. The assailed RTC orders are hereby NULLIFIED and SET ASIDE and public respondent is ordered to dismiss the subject action before him under Civil Case No. 95-73399. No pronouncement as to costs."^[1] "on several counts; viz:

"I. THE COURT OF APPEALS GRAVELY ERRED IN NOT DISMISSING CA-G.R. SP NO. 38673 DESPITE THE FACT THAT A SIMILAR PETITION EARLIER FILED BY PPA WAS DISMISSED FOR BEING INSUFFICIENT NOT ONLY IN FORM BUT ALSO IN SUBSTANCE WHICH DISMISSAL CONSTITUTES RES JUDICATA INsofar AS THE ISSUES RAISED THEREIN ARE CONCERNED.

"II. THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE DECISION IN THE UNLAWFUL DETAINER CASE CONSTITUTES RES JUDICATA WHICH BARS THE SPECIFIC PERFORMANCE CASE.

"III. THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE FILING OF THE SPECIFIC PERFORMANCE CASE VIOLATES THE RULE AGAINST FORUM SHOPPING.

"IV. THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE WRIT OF PRELIMINARY INJUNCTION ISSUED BY THE TRIAL COURT CONSTITUTES INTERFERENCE WITH ITS JUDGMENT IN THE UNLAWFUL DETAINER CASE.

"V. THE COURT OF APPEALS GRAVELY ERRED IN ORDERING THE DISMISSAL OF CIVIL CASE NO. 95-73399 THEREBY RULING ON THE MERITS OF THE CASE WHEN IN FACT, THE ONLY ISSUES FOR ITS RESOLUTION WERE THE PROPRIETY OF THE WRIT OF PRELIMINARY INJUNCTION ISSUED BY THE TRIAL COURT AND THE DENIAL OF PPA'S MOTION FOR PRELIMINARY HEARING ON AFFIRMATIVE DEFENSES."^[2]

It would appear that petitioner corporation entered into two lease contracts with the Philippine government covering two specified areas, Block 180 and Block 185, located at the Manila Port Area, then under the control and management of the Director of Lands, for a term of ninety-nine years each, the first lease to expire on 19 June 2017 and the other on 14 February 2018. During her tenure, President Corazon Aquino issued Executive Order No. 321 transferring the management and administration of the entire Port Area to herein respondent Philippine Ports Authority ("PPA"). Shortly after its take-over, PPA issued a Memorandum increasing the rental rates of Bachrach by 1,500%. Bachrach refused to pay the substantial increased rates demanded by PPA.

On 23 March 1992, PPA initiated unlawful detainer proceedings, docketed Civil Case No. 138838 of the Metropolitan Trial Court ("MeTC") of Manila, against Bachrach for non-payment of rent. On 27 April 1993, MeTC rendered a decision ordering the eviction of Bachrach from the leased premises. Bachrach appealed to the Regional Trial Court ("RTC") of Manila which, on 21 September 1993, affirmed the decision of the lower court in toto.^[3]

Bachrach elevated the case to the Court of Appeals by way of a petition for review. On 29 July 1994, the appellate court affirmed the decision of the RTC. A motion for reconsideration was filed by Bachrach; however, the resolution of the motion was put on hold pending submission of a compromise agreement.^[4] When the parties failed to submit the promised compromise agreement, the Court of Appeals, on 15 May 1995, denied Bachrach's motion for reconsideration. The decision of the appellate court in the ejectment suit became final and executory on 20 May 1995.^[5]

Meanwhile on 28 March 1995, while the motion for reconsideration was yet pending with the appellate court, Bachrach filed a complaint against PPA with the Manila RTC, docketed Civil Case No. 95-73399 (hereinafter referred to also as the specific performance case), for refusing to honor a compromise agreement said to have been perfected between Bachrach and PPA during their 04 February 1994 conference that superseded the ejectment case. In its complaint, Bachrach prayed for specific performance.

On 08 June 1995, PPA filed a motion for a writ of execution/garnishment in the ejectment case. The next day, 09 June 1995, Bachrach filed an application in the specific performance case for the issuance of a temporary restraining order and/or a writ of preliminary injunction to enjoin the MeTC from issuing the writ of execution/garnishment. PPA countered by filing a motion for preliminary hearing on its affirmative defenses along the same grounds mentioned in its motion to dismiss the specific performance case, to wit: (a) the pendency of another action between the same parties for the same cause; (b) the violation of the anti-forum-shopping rule; (c) the complaint's lack of cause of action; and (d) the unenforceable character of the compromise agreement invoked by Bachrach. On 13 July 1995, the trial court issued an omnibus order, granting the application of Bachrach for a writ of preliminary injunction, in this tenor -

"PREMISES CONSIDERED, this Court is of the opinion and so holds (1) that plaintiff (Bachrach) is entitled to the injunctive relief prayed for and upon the posting of a bond in the amount of P300,000.00, let a writ of preliminary injunction be issued enjoining the defendant (PPA), the

Presiding Judge of the Metropolitan Trial Court of Manila, Branch 2 from issuing a writ of execution/garnishment in Civil Case No. 238838-CV entitled `Philippine Ports Authority vs. Bachrach Corporation'; (2) lifting/setting aside the order dated June 5, 1995 and (3) denying defendant's motion for a preliminary hearing on affirmative defenses."^[6]

PPA moved for reconsideration of the above order but the trial court denied the plea in its order of 29 August 1995.

On 25 September 1995, PPA filed a petition for certiorari and prohibition, with application for the issuance of a temporary restraining order and/or writ of preliminary injunction, docketed CA-G.R. SP No. 38508, before the Court of Appeals. The petition was dismissed by resolution, dated 28 September 1995, of the appellate court for being insufficient in form and substance, i.e., the failure of PPA to properly attach a certified true copy each of the assailed order of 13 July 1995 and 29 August 1995 of the trial court. PPA received on 05 October 1995^[7] a copy of the resolution, dated 28 September 1995, of the appellate court. Undaunted, PPA filed a new petition on 11 October 1995, now evidently in proper form, asseverating that since it had received a copy of the assailed resolution of the trial court only on 07 September 1995, the refileing of the petition with the Court of Appeals within a period of less than two months from the date of such receipt was well within the reasonable time requirement under the Rules for a special civil action for certiorari.^[8] In the meantime, the resolution, dated 28 September 1995, of the Court of Appeals which dismissed CA-G.R. No. 38508 became final on 21 October 1995.^[9]

In its newly filed petition, docketed CA-G.R. SP No. 38673, PPA invoked the following grounds for its allowance:

"I. That respondent Judge acted without, or in excess of jurisdiction, or with grave abuse of discretion when it issued a writ of preliminary injunction against the final and executory resolution of the Honorable Court of Appeals (Annex `I') inspite of the well-established rule that courts are not allowed to interfere with each other's judgment or decrees by injunction, and worse, in this case, against the execution of the judgment of a superior or collegiate court which had already become final and executory.

"II. That respondent Judge acted without, or in excess of jurisdiction, or with grave abuse of discretion when it also denied petitioner's motion for a preliminary hearing on its affirmative defenses or in failing to have the case below outrightly dismissed on the grounds stated in its affirmative defenses, when respondent Judge pronounced there is no identity as to the causes of action between the case decided by the Court of Appeals (CA-G.R. SP No. 32630) and the case below (Civil Case No. 95-73399) when clearly the causes of action in both cases revolve on the same issue of possession of the subject leased premises.

"III. That respondent Judge acted without, or in excess of jurisdiction, or with grave abuse of discretion in refusing to take cognizance (of), abide (by) and acknowledge the final judgment of the Court of Appeals which, on said ground alone, is enough justification for the dismissal of the case