

SECOND DIVISION

[G.R. No. 128743, November 29, 1999]

ORO CAM ENTERPRISES, INC., PETITIONER, VS. COURT OF APPEALS, FORMER FOURTH DIVISION AND ANGEL CHAVES, INC., RESPONDENTS.

D E C I S I O N

MENDOZA, J.:

This is a petition for review of the decision of the Court of Appeal,^[1] dated November 27, 1996, annulling an injunctive order of the Regional Trial Court, Branch 37, Cagayan de Oro City, enjoining the enforcement of the writ of execution in an ejectment case and ordering said court to dismiss the petition for certiorari filed by petitioner for lack of cause of action. For the reasons stated hereunder, the decision of the Court of Appeals is affirmed.

The facts are as follows:

Private respondent Angel Chaves, Inc. is the owner of a commercial building in Cagayan de Oro which he leased to several business establishments.

On January 15, 1991, private respondent filed a complaint for unlawful detainer in the Municipal Trial Court in Cities (MTCC), Cagayan de Oro City, docketed as Civil Case No. 13040. The complaint alleged *inter alia* that-

2. Plaintiff owns a commercial building with frontage along J.R. Borja and Yacapin Extension Streets, Cagayan de Oro City leased to business establishments, some of whom are defendants herein, for uniform and fixed period of one (1) year since 1986.

3. The latest written contracts of lease for 1 year period between the parties were executed on July 31, 1988, with following particulars:

Lessee/Business Name	Lease Period	Monthly rentals
Constancio Manzano	July 1, 1988	P7,750.00
Oro Cam Enterprises	June 30, 1989	
Ernesto/Leody Marcos	July 1, 1988	P3,400.00
Queenie's	June 30, 1989	

Jewelry

Fortunato Melodia Sr.	July 1, 1988	P3,400.00
Meltrade	June 30, 1989	
Alfredo/Elena Co	July 1, 1988	P3,400.00
Oro Jewelry	June 30, 1989	

The complaint further alleged that, before the aforementioned leases expired on June 30, 1989, private respondent sent forms for new lease contracts to the lessees, indicating increased rentals for the period July 1, 1989 to June 30, 1990, for their signatures, to wit:

Name	New monthly rentals
Oro Cam Enterprises	P10,000.00
Queenie's Jewelry	P 4,000.00
Meltrade	P 4,000.00
Oro Jetcycle	P 4,000.00

Thereafter, private respondent made a demand upon the lessees to pay the increased rent or, otherwise, vacate the premises. The failure of the lessees to comply with the demand of private respondent led to the filing of the suit for unlawful detainer.

In his answer to the complaint, defendant Constancio Manzano, through his counsel, Atty. Cesilo Adaza, alleged:^[2]

3. That it is not true that in the said contract the monthly rentals of the defendants as stated in paragraph 3 of the complaint are to be paid by the defendants. What was agreed was for the following defendants to pay the following rentals beginning July 1, 1988 and two years thereafter, to wit:

a. Constancio Manzano

Oro Cam Enterprises - P5,000.00

On July 23, 1992, the MTCC rendered a decision dismissing the complaint against three defendants, including petitioner, but ordered the ejectment of the fourth defendant Alfredo Co. The dispositive portion of the MTCC decision reads:

WHEREFORE, premises considered, the court hereby renders judgment as follows:

1. Dismissing complaint as against Manzano (Oro Cam), Melodia (Meltrade) and Marcoso (Queenie's Jewelry) for lack of cause of action.

....

SO ORDERED.

On appeal, the Regional Trial Court, Branch 23, Misamis Oriental, Cagayan de Oro City, reversed the MTCC and ordered the four defendants ejected from the premises. The dispositive portion of the RTC decision ordered defendants-

1. To vacate and surrender to plaintiff-appellant the premises in question that they respectively occupied;
2. To pay the corresponding reasonable rent of said premises from July 1, 1990 until they have fully vacated the same, at the following rates:
 - a) Constancio Manzano at P12,500.00 per month
 - b) Melodia at P5,000.00 per month
 - c) Ernesto Marcoso at P5,000.00 per month, and
3. To pay jointly and solidarily to plaintiff-appellant the sum of P30,000.00 as attorney's fees and P10,000.00 as litigants expenses, and the costs of the suit.

Vicente Manzano, brother of Constancio Manzano, then filed a petition for review of the RTC decision with the Court of Appeals (CA-GR Sp. No. 34167), alleging that Constancio Manzano had died in the meantime and informing it of his status as administrator of the estate. The Court of Appeals dismissed the petition for having been filed beyond the reglamentary period. The dismissal was subsequently affirmed by this Court in a resolution issued on September 26, 1994 in G.R. No. 116933.

On January 9, 1995, private respondent filed with the MTCC a motion for the issuance of a writ of execution specifically against Constancio Manzano and petitioner Oro Cam Enterprises. Petitioner opposed the motion on the ground that it was never impleaded nor included as party-defendant in the ejectment case (Civil Case No. 13040). It appears that petitioner later filed a petition for certiorari and prohibition, with an application for the issuance of a writ of preliminary injunction, in the Regional Trial Court, Branch 37, Cagayan de Oro City, where the case was docketed as Sp. Civil Case No. 95-560, entitled "Oro Cam Enterprises, Inc. v. Hon. Antonio A. Orcullo and Angel Chaves, Inc." On December 7, 1995, the trial court issued an order granting the application for preliminary injunction, *viz.*:

WHEREFORE, petitioner's application for preliminary injunction, being meritorious, is hereby GRANTED, and, accordingly, respondents, their agents or representatives or all persons acting on their behalf, are hereby ordered during the pendency of this case to cease and desist and refrain from issuing, implementing, enforcing or carrying out any writ of execution or similar order in Civil Case No. 13040 entitled "Angel Chaves, Inc. vs. Constancio Manzano, et al." to execute the Decision dated December 27, 1993 rendered by branch 25 of this Court, or from doing or

performing other acts prejudicial to the rights of petitioner.^[3]

Private respondent then filed a petition for certiorari with the Court of Appeals which, on November 27, 1996, rendered a decision declaring the writ of injunction as null and void, and ordering the trial court to dismiss Sp. Civil Case no. 95-560.

Hence, this petition where petitioner submits the following issues:

1. Whether or not the Court of Appeals erred in holding that [petitioner] Oro Cam Enterprises Inc. is privity to the contract of lease between [private respondent] and defendant Constancio Manzano.
2. Whether or not the Court of Appeals acted without or in excess of jurisdiction with grave abuse of discretion in declaring null and void the order granting the writ of preliminary injunction as an interlocutory order issued by the RTC.

The petition has no merit.

Petitioner contends that Oro Cam Enterprises is a corporation with a personality separate and distinct from the latter and that the Court of Appeals erred in holding that petitioner is privity to the lease agreement between private respondent and Constancio Manzano.

The argument is untenable. As the Court of Appeals pointed out in the appealed decision:

1. In the complaint for unlawful detainer filed by petitioner ACI with the MTCC of Cagayan de Oro City, docketed as Civil Case No. 13040, it is specifically alleged that:
2. Plaintiff owns a commercial building with frontage along J.R. Borja and Yacapin Extension Streets, Cagayan de Oro City, leased to business establishments, some of whom are defendants herein, for uniform and fixed period of one (1) year since 1986:
3. The latest written contracts of lease for 1-year periods between the parties were executed on July 31, 1988, with the following particulars:

Lessee/Business Name	Lease Period	Monthly Rental
Constancio Manzano	July 1, 1988 to	P7,750.00
Oro Cam Enterprises	June 30, 1989	

2. In the Answer dated March 12, 1991 filed by defendant Constancio A. Manzano through his counsel, Atty. Cesilo Adaza, he did not deny that he/Oro Cam is a lessee of petitioner ACI, thus: