

Supreme Court of Texas
February 14, 2014

Coinmach Corp. v. Aspenwood Apartment Corp.

No. 11-0213

Case Summary written by Matt McKee, Staff Member.

Boyd, J., delivered the opinion of the Court.

The Supreme Court of Texas issues this “corrected” opinion following its original ruling on November 22, 2013. Justice Guzman, joined by Justice Divine and Brown’s concurring opinion remain unchanged from the original November 22 opinion.

Coinmach Corp.—a company that leases rooms from hotels in which it installs and maintains its coin operated laundry machines—entered into a ten-year contract with Garden View Apartments in Harris County, Texas, in 1980. At that contract’s conclusion, the parties renewed the contract to run through 1999. Aspenwood Apartment Corp. subsequently acquired Garden View after it was foreclosed upon in 1994. After acquiring the apartments, Aspenwood gave Coinmach notice that it was terminating its lease due to Coinmach’s failure “to maintain the equipment in an adequate and safe condition.”

Following this case’s long procedural history—dating back to 1994—noting the foreclosure did, in fact, terminate the lease, the Supreme Court of Texas reviewed the case to determine the lease termination’s effect. Finding Coinmach became a tenant at sufferance upon the lease’s termination, the Court addressed Aspenwood’s claims for breach of the lease agreement and tortious conduct. Regarding the breach of lease agreement issue, the Court found that because Coinmach was a tenant at sufferance, and because the parties did not form a subsequent agreement, Aspenwood could not hold Coinmach liable under a contract that did not exist, discounting Aspenwood’s arguments based on cases addressing tenancy at will rather than tenancy at sufferance.

Turning to the tortious conduct claim, the Court addressed Coinmach’s argument that, though a holdover tenant at sufferance is typically considered a trespasser, recent legislative action provided Coinmach with a “grace period” wherein a tenant is not considered a trespasser until the landlord prevails in eviction proceedings. *See* TEX. PROP. CODE § 24.008. The Court found, however, that the legislature included a provision in this statute that exempted eviction for trespass from the statute. *See id.* §§ 24.002(b), 24.008. A trespasser who has no legal claim to the property, therefore, is not covered by chapter 24. *See id.* Because Coinmach lost its interest in the property at termination, the Court found Coinmach liable for trespass, remanding this issue to determine whether Coinmach was a good

faith trespasser, or if the trespass was willful, intentional, or malicious, then to assess damages accordingly.

The Court next addressed whether Coinmach was liable to Aspenwood for tortious interference. Finding Aspenwood failed to prove Coinmach interfered with its actual contract, the Court sought to determine whether Coinmach's refusal to vacate the property interfered with a reasonably probably contract before Aspenwood filed suit in 1998. Considering this point a question of fact, the Court remanded the issue for further proceedings pursuant to this opinion.

Next, the Court reviewed Aspenwood's claims under the Deceptive Trade Practices Act. Finding this argument revolved around the DTPA's definition of a consumer, the Court declined to accept Aspenwood's argument that it was a consumer. Though Coinmach provided services, it provided those services to Aspenwood's customers, not Aspenwood. Because the only benefit Aspenwood derived from its relationship with Coinmach was rent payments, the Court found Aspenwood was not a consumer under the DTPA, and therefore did not have a valid claim under that act against Coinmach.

Finally, the Court addressed Aspenwood's claim under the Uniform Declaratory Judgments Act. Because the UDJA is not an appropriate alternative to seek relief for trespass to try title claims, the Court found Aspenwood's claim under the UDJA to be inapplicable.

Guzman, J., joined by Devine, J., and Brown, J., concurring.

The concurring opinion focused heavily on the manner in which the trial court should review the tortious interference claim on remand. The opinion highlighted the fact that Coinmach possessed the property in question under the authority of favorable court orders. Noting Coinmach's reliance on these court orders, this opinion states Coinmach was unable to form intent to interfere—thus, any harm would be incidental, not intentional. Because Aspenwood has presented evidence that Coinmach procured these court orders through fraud, however, there are questions of fact, which make this case inappropriate for a judgment as a matter of law. Noting these questions of fact and the subsequent holding's potential implications, this opinion urges the trial court to apply a narrow interpretation of the law.