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when they were readmitted by the Company. With respect to Estioca, his backwages shall not exceed a period of three (3) years from April 30, 1982. The fine of ₱10,000 imposed on the petitioner for its delay in complying with the Secretary's return-to-work order, is affirmed. Costs against the petitioner.

SO ORDERED.

Narvasa (Chairman), Gancayco, and *Medialdea, JJ.*, concur.

Cruz, J., no part. Related to one of the petitioner's counsel.

FIRST DIVISION

[G.R. No. 82499. October 13, 1989]

CAPITOL MEDICAL CENTER, INC., and DRA. THELMA NAVARRETE CLEMENTE, *petitioners, vs.* **THE COURT OF APPEALS, HON. IGNACIO SALVADOR, in his capacity as Presiding Judge of Branch 77 of the Regional Trial Court of the National Capital Region (Quezon City), MONINA REYES-VALENZUELA, PABLO L. DAMASO, LINA M. ABLANG, MA. TERESITA ROQUE, AMBROSIO LAZOL, DIOSDADO YAP, FLORDELIZA SINGSON, SARAH P. PELOBELLO, JOEL H. GILLEGO, AGNES A. DE VEGA, NORAIDA Y. MAGALONG, AUGENCIO PAPA, IMELDA SIMBILLO, MAXIMO CALDERON and ROSALIE FLORIDA C. ILAGA,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; PROVISIONAL REMEDIES; PRELIMINARY INJUNCTION; PRESERVATION OF *STATUS QUO*; SOLE OBJECT AND FUNCTION. — The sole object of a preliminary injunction, whether prohibitory or mandatory, is to preserve

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the *status quo* until the merits of the case can be heard. The *status quo* is the last actual peaceable uncontested status which preceded the controversy. It may only be resorted to by a litigant for the preservation or protection of his rights or interests and for no other purpose during the pendency of the principal action. It should only be granted if the party asking for it is clearly entitled thereto.

2. ID.; ID.; MANDATORY INJUNCTION; ISSUANCE PRIOR TO THE FINAL HEARING, GENERALLY IMPROPER. — As a mandatory injunction tends to do more than to maintain the *status quo*, it is generally improper to issue such an injunction prior to the final hearing.

3. ID.; ID.; ID.; CASES OF PROPER ISSUANCE. — Mandatory injunction may, however, issue "in cases of extreme urgency; where the right is very clear; where considerations of relative inconvenience bear strongly in complainant's favor; where there is a willful and unlawful invasion of plaintiff's right against his protest and remonstrance, the injury being a continuing one; and where the effect of the mandatory injunction is rather to reestablish and maintain a preexisting continuing relation between the parties, recently and arbitrarily interrupted by the defendant, than to establish a new relation. Indeed, the writ should not be denied the complainant when he makes out a clear case, free from doubt and dispute."

4. ID.; ID.; ID.; ISSUANCE, A GRAVE ABUSE OF DISCRETION; RESTORATION OF CONDITIONS PRECEDING THE *STATUS QUO*, NOT THE *STATUS QUO* SOUGHT TO BE ACCOMPLISHED. — What was the *status quo* prior to the closure of the school? There were no classes. The school was deserted. The teachers and students were on strike; they refused to attend classes and held noisy rallies in front of the CMC hospital instead. That was the *status quo* before the private respondents filed Civil Case No. 52429. The writ of preliminary mandatory/injunction was issued by the trial court not to restore that *status quo*, but to restore conditions preceding the *status quo*, *i.e.*, to reopen and resume the holding of classes which the private respondents themselves (plaintiffs in Civil Case No. 52429) by their mass actions had disrupted. In issuing the writ of preliminary injunction for that purpose, the trial court committed a grave abuse of discretion for it allowed the writ

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to be used by the plaintiffs to undo the mischief that they themselves had initiated.

5. POLITICAL LAW; ADMINISTRATIVE LAW; PARAGRAPH 137, SECTION IV AND SECTION VII, PARAGRAPH 137 OF THE MANUAL OF REGULATIONS FOR PRIVATE SCHOOLS, CONSTRUED. — The meaning of the provision is that the school, after having accepted a student for enrollment in a given course may not expel him or refuse to re-enroll him until he completes his course, except when he is academically deficient or has violated the rules of discipline. He is presumed to be qualified to study there for the entire period it will take to complete his course. However, there is no contract between him and the school for the latter to remain open for the entire duration of his course. Section VII, paragraph No. 137, of the Manual of Regulations for Private Schools provides.

6. CIVIL LAW; CONTRACTS; ENROLLMENT FOR A SEMESTER; *CONTRACT WITH THE SCHOOL DEEMED FOR THE* PERIOD ENROLLED AND PAID FOR. — The contract between the college and a student who is enrolled and pays the fees for a semester, is for the entire semester only, not for the entire course. The law does not require a school to see a student through to the completion of his course. If the school closes or is closed by proper authority at the end of a semester, the student has no cause of action for breach of contract against the school. Thus, did this Court rule in "*Alcuaz, et al. vs. Philippine School of Business Administration, Quezon City Branch, et al.*," G.R. No. 76353, promulgated on May 2, 1988.

7. ID.; ID.; ENROLLMENT IN COLLEGE, NOT AN OBLIGATION FOR THE LATTER TO REMAIN OPEN TILL THE STUDENT COMPLETES THE COURSE. — We, therefore, hold that the lower court gravely abused its discretion in compelling the CMCC to reopen and re-admit the striking students for enrollment in the second semester of their courses. Since their contracts with the school were terminated at the end of the first semester of 1987, and as the school has already ceased to operate, they have no "clear legal right" to re-enroll and the school has no legal obligation to reopen and re-admit them. No provision in the Education Act of 1982, nor in the Manual of Regulations for Private Schools can be, or has been, cited to support the novel view that a school is obligated to remain

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open until its students have completed their courses therein. Indeed, neither is there a law or rule that obligates a student who has enrolled in a school, to remain there until he finishes his course. On the contrary he may transfer at any time to any school that is willing to accept him.

8. ID.; ID.; ENROLLMENT IN COLLEGE; OBLIGATION OF SCHOOL TO EDUCATE CARRIES A RECIPROCAL OBLIGATION OF STUDENT TO ABIDE BY THE RULES AND REGULATIONS OF THE SCHOOL. — But even if it can be supposed that the enrollment of a student creates an implied "binding contract" with the school to educate him for the entire course, since a contract creates reciprocal rights and obligations, the obligation of the school to educate a student would imply a corresponding obligation on the part of the student to study and obey the rules and regulations of the school. When students breach that supposed contract by refusing to attend their classes, preferring to take to the streets to mount a noisy demonstration *against* their school, the latter may cancel the contract and close its doors. Its action would neither be arbitrary nor unfair.

APPEARANCES OF COUNSEL

Samson S. Alcantara for petitioners.
Law Firm of Raymundo A. Armovit for private respondents.

D E C I S I O N

GRIÑO-AQUINO, *J.*:

At bottom, the only issue in this case is whether a school that, after due notice to the Secretary of Education, Culture and Sports, closed at the end of the first semester of the school year 1987-1988, because its teachers and students declared a strike, refusing to hold classes and take examinations, may be forced to reopen by the courts at the instance of the striking students.

Some fourteen (14) years ago, the petitioner Capitol Medical Center, Inc. (or CMCI), a hospital corporation, organized, opened, and operated the Capitol Medical Center College (CMCC or

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"the College") beside its hospital, the Capitol Medical Center (hereafter "the Hospital") in Quezon City. It offered a four-year nursing course, a two-year midwifery course, and a two-year medical secretarial course. In the first semester of the school year 1987-88, 900 students were enrolled in various courses in the college.

Halfway through the first semester in 1987, the college faculty, led by the Dean of Nursing, demanded that they be granted vacation and sick leave privileges similar to those enjoyed by hospital personnel. Dialogues were held but no agreement was reached between the faculty and the school administration, headed by the president, Dr. Thelma Navarette-Clemente, who was concurrently also the chairman of the CMCI Board.

At a meeting of the CMCI Board on September 15, 1987, Dr. Clemente reported the deteriorating relationship between the CMCC administration and the teachers, which, from a simple disagreement, had degenerated into open hostility. She feared that the situation may give rise to mass action by the students, because the faculty, exercising their moral influence over the students, had enlisted the latter's sympathy and support for their cause.

The Board resolved to authorize her, as president of the College, to close it at the end of the first semester if the antagonism of the faculty and students toward the college administration should become uncontrollable. The minutes of that meeting of the CMC Board disclose the following action taken by the Board:

"*CMC College*

"The chairman reported on the developing antagonism between the Dean and a good number of the Faculty on the one hand, and the CMC Administration on the other hand on economic matters, more particularly the demand of the faculty for similar vacation and sick leave privileges as hospital personnel, and that despite of dialogs (sic), the faculty does not show any conformity to the difference. She fears that this antagonisms might later on develop into mass actions and demonstrations, wherein students who are under the influence of the dean and the faculty will show by concrete manifestation sympathy for the faculty demands.

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"After a thorough discussion of the possible effect of these mass demonstrations especially if done in front of hospital premises, on patients confined in the hospital, and the possibility of this antagonism being manifested during the making of the rounds of patients by CMCC Nursing Students when being conducted Related Learning Experiences (RLE), the board unanimously approved the following resolution:

"Res. No. 87-86 to authorize the Chairman in his (sic) capacity as President of CMC College, to close the college at the end of the first semester, should the antagonism described by her become uncontrollable." (p. 79, *Rollo*.)

During the next thirty (30) days, the rift between the administration and the faculty aggravated. The school administration scheduled the holding of the final semestral examinations on October 14 to 19, 1987, but the teachers defiantly and unilaterally "postponed" them. On the scheduled dates for the examinations, the students joined their teachers in a noisy demonstration in front of the hospital (Annexes O, P, Q, and R, pp. 146-147, *Rollo*). As the demonstrations disturbed the peace and quiet of the hospital and fearful of possible subversive action by hostile student nurses which might endanger the safety and lives of the patients in the hospital, an emergency special meeting was held by the CMCI Board on October 17, 1987. It unanimously resolved "to close the school effective at the end of the first semester of this school year, 1987-88" (p. 269, *Rollo*). Starting on that date, the following announcement was posted in several places on the school premises:

"*ANNOUNCEMENT*

"ALL STUDENTS, PLEASE BE INFORMED OF THE TOTAL CLOSURE OF CAPITOL MEDICAL CENTER COLLEGE AFTER THE END OF THE FIRST SEMESTER OF SCHOOL YEAR 1987-88. PLEASE SEE POSTED LETTER INFORMING THE DECS OF SAID DECISION, BSN I-IV, MIDWIFERY I-II AND JUNIOR SECRETARIAL STUDENTS ARE THEREFORE ADVISED TO SEEK THEIR EVENTUAL TRANSFER TO OTHER SCHOOLS FOR THE SECOND SEMESTER.

"HERE IS A PARTIAL LIST OF SCHOOLS WILLING TO ACCEPT STUDENTS TRANSFEREES:

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"1. ARELLANO UNIVERSITY
"2. DE OCAMPO COLLEGE OF NURSING
"3. FATIMA COLLEGE OF NURSING
"4. ST. JUDE COLLEGE OF NURSING
"5. DE LOS SANTOS COLLEGE OF NURSING
"6. FAMILY CLINIC COLLEGE OF NURSING

CMC COLLEGE ADMINISTRATION"

(p. 131, *Rollo.*)

On October 20, 1987, Dr. Clemente informed the Department of Education, Culture & Sports (DECS) that the school would be permanently closed at the end of the first semester.

"CAPITOL MEDICAL CENTER, INC.

October 20, 1987

"The Honorable Lourdes R. Quisumbing
Secretary of Education, Culture and Sports

M a n i l a

"Through the Regional Director
Mrs. Modesta Boquiren
National Capital Region
Quezon City

"Dear Madam Secretary:

"Greetings!

"Please be informed that in an emergency special meeting of our Board of Directors held on October 17, 1987, it *was unanimously resolved to close the Capitol Medical Center College*, effective at the end of the first semester of this school year, *1987-1988*.

"The recurring problems between our corporation on the one hand and the Dean, Faculty and student body of the college, on the other hand, which has resulted in the non-holding up to now, of final examinations for the first semester of this school year, has gotten out of hand.

"Kindly advise us of the procedure to effect *the immediate closure* resolution of our board.

"Thank you.

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Very truly yours,

(SGD) THELMA NAVARRETE-CLEMENTE
M.D., M.H.A., Chairman of the
Board and President"

(p. 269, *Rollo*; italics supplied.)

As the DECS did not reply promptly, Dr. Clemente on October 29, 1987, sent another letter to DECS Secretary Lourdes Quisumbing reinforcing CMCI's resolve to "cease operation of school *immediately* effective as of the end of the first semester of the current school year 1987-88." The letter reads as follows:

"October 29, 1987

"The Honorable Lourdes R. Quisumbing
Secretary of Education, Culture and Sports

M a n i l a

"Dear Madam Secretary:

"Greetings!

"This is to reinforce our earlier letter, dated October 20, 1987, informing your honorable office of the corporate decision of our Board of Directors to cease operation of the Capitol Medical Center College immediately effective as of the end of the first semester of the current school year, 1987-1988.

"The decision as embodied in the corporate resolution contemplates in no uncertain terms the *immediate and total cessation* of all education activities due to the following cogent reasons:

"1. Mismanagement of the school administration and mishandling of corporate policies by the Dean, extending down to the lower administrative levels.

"2. Failure of the school to produce the quality of education that maybe reasonably expected or desired as evidenced by the poor quality of Instruction it gives, the deficient program of guidance it maintains, and the poor performance of its graduates over the past few years.

"3. The increasing costs of operation and maintenance of school facilities.

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"4. Considering the fact that the school is only a minor subsidiary of the hospital corporation, its continued operation and dependent existence will as projected, greatly impair the economic viability of the institution and ultimately affect health care delivery and other vital medical services of the hospital to the community and the general public.

"For the above reasons, we feel there are no legal impediments against the *immediate and complete closure* of the school under the purview of the Corporation Code.

"Since there are quite a number of Nursing and Midwifery Schools in the community who would be more than willing to take in our students, we will help undertake arrangements with these schools for their transfer, together with the assistance of your good office of course.

"Finally, we are very well aware of the requirements of the Labor Laws concerning the faculty members and other support personnel who are already permanent with at least three years of service. We shall settle these in due time under its proper forum.

"Very truly yours,

"(SGD) THELMA NAVARRETE-CLEMENTE, M.D., M.H.A.
President
Chairman, Board of Directors"

(pp. 270-271, *Rollo*; italics supplied.)

The Department of Labor and Employment (DOLE) was likewise notified of the termination of the services of the faculty and other support personnel of the college "thirty days hence" as required by Article 284 of the Labor Code (p. 272, *Rollo*).

It appears that on October 26, 1987, or three (3) days before Dr. Clemente wrote her second letter, DECS Regional Director Modesta Boquiren had written the following reply which was received later:

"October 26, 1987

"The Chairman of the Board
and President
CAPITOL MEDICAL CENTER COLLEGE
Sct. Magbanua Cor. Panay Avenue
Quezon City

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"Dear Madam:

"This has reference to your letter dated October 20, 1987 requesting for a *gradual phasing out* of all courses *effective June 1988* according to the following schedules:

"June 1988 — No 1st year
June 1989 — No 2nd year
June 1990 — No 3rd year
June 1991 — No 4th year

"This Office interposes no objection to your request provided that the school administrators can comply with the requirements of the Department of Labor and Employment regarding the benefits of faculty members and support personnel who are already permanent and who have already served the school for three or more years.

"Pursuant to regulations, after all the courses shall have been phased out, the school cannot reopen unless the corporate status is changed from a stock corporation to a non-stock corporation.

"Very truly yours,

"(SGD) Illegible
"MODESTA G. BOQUIREN
"Director"

(p. 256, *Rollo*; italics supplied.)

Evidently, Director Boquiren failed to comprehend that Dr. Clemente did not request for *permission* to "gradually phase out" the school but merely *informed* the DECS of the school administration's decision to effect the "immediate and complete closure" of the school. As the DECS did not react to her second letter, CMCCI proceeded with the closure of the college.

The teachers, students and their parents, a representative of the DECS and the school administration, thereafter, held a series of dialogues to persuade CMCCI to open the school for one more semester or until the end of the school year. An agreement was prepared by the DECS but CMCCI wanted to include a written stipulation binding the students *and their parents* to hold no more strikes, rallies, or demonstrations until the end of the school year. Since the latter did not sign the agreement, the school did not reopen.

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The college and the DECS have assisted in effecting the transfer of some 411 students to other schools (p. 15, *Rollo*).

THE CASE

On December 2, 1987, fifteen (15) students and parents purporting to represent the 900 students of the CMCC filed a class suit (Civil Case No. 52429) against "Capitol Medical Center College" and petitioner Dr. Clemente, in the Regional Trial Court of Quezon City praying for the reopening of the Capitol Medical Center College which had been closed effective at the end of the first semester of the school year 1987-1988 (p. 208, *Rollo*).

As the complaint (Annex A) prayed for the issuance of a writ of preliminary mandatory injunction, the court set the hearing of the application on December 9, 1987. As agreed at the hearing, an opposition was filed by CMCC on December 14, 1987 (p. 257, *Rollo*).

On the same day, the lower court granted the writ of preliminary mandatory injunction and directed the defendants "to reopen (the) school and allow plaintiffs students to enroll in their respective course[s] x x x." It fixed the plaintiffs' bond in the sum of ₱50,000 (pp. 85 and 273, *Rollo*). The order reads as follows:

"Plaintiffs' petition for the issuance of a Writ of Preliminary Mandatory Injunction having been heard by the Court, the plaintiffs appearing by their lawyer, Atty. Raymundo Armovit and the defendants by their attorney, Atty. Samson Alcantara and no sufficient cause to the contrary being shown, the Court finds that this is a proper case for injunction and the writ prayed for should issue; WHEREFORE, the Court hereby orders that a Writ of Preliminary Mandatory Injunction issue against the defendants directing them to re-open school and allow plaintiffs' students to enroll in their respective courses of study and to perform such other acts in the tenor and under the terms and conditions set forth in paragraph 8 in the complaint filed in this action, upon the filing of an injunction bond in the amount of FIFTY THOUSAND PESOS (₱50,000.00) within three (3) days from receipt of this order." (p. 84, *Rollo*.)

The petitioners filed a motion for reconsideration of the above order (p. 87, *Rollo*) but the court denied their motion (p. 95, *Rollo*).

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In due time, the petitioners elevated the order to the Court of Appeals on a petition for *certiorari* with preliminary injunction (CA-G.R. SP No. 13626, p. 96, *Rollo*). The Court of Appeals issued a restraining order and directed the respondents to comment on the petition.

After hearing the parties in oral argument, the Court of Appeals rendered a decision on February 15, 1988 holding that the respondent RTC Judge did not abuse his discretion in issuing the order of preliminary mandatory injunction because the petitioners had no right to suddenly close the school for the enrollment of the students created a binding contract between them and the school for the latter to continue operating until the former shall have finished their courses (p. 120, *Rollo*).

On February 26, 1988, the petitioners filed a motion for reconsideration and re-hearing which was held on March 3, 1988 (p. 127, *Rollo*).

Nevertheless, on March 8, 1988, the Court of Appeals denied petitioner's motion for reconsideration (p. 154, *Rollo*). Hence, this petition for review.

The petition for review has merit.

The sole object of a preliminary injunction, whether prohibitory or mandatory, is to preserve the *status quo* until the merits of the case can be heard. The *status quo* is the last actual peaceable uncontested status which preceded the controversy (*Rodulfa vs. Alfonso,* 76 Phil. 225). It may only be resorted to by a litigant for the preservation or protection of his rights or interests and for no other purpose during the pendency of the principal action (*Calo vs. Roldan*, 76 Phil. 445). It should only be granted if the party asking for it is clearly entitled thereto (*Climaco vs. Macaraeg*, 4 SCRA 930; *Subido vs. Gopengco*, 27 SCRA 455; *Police Commission vs. Bello*, 37 SCRA 230).

Inasmuch as a mandatory injunction tends to do more than to maintain the *status quo*, it is generally improper to issue such an injunction prior to the final hearing (*Manila Electric Railroad and Light Co. vs. Del Rosario*, 22 Phil. 433). It may, however, issue "in cases of extreme urgency; where the

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right is very clear; where considerations of relative inconvenience bear strongly in complainant's favor; where there is a willful and unlawful invasion of plaintiff's right against his protest and remonstrance, the injury being a continuing one; and where the effect of the mandatory injunction is rather to reestablish and maintain a preexisting continuing relation between the parties, recently and arbitrarily interrupted by the defendant, than to establish a new relation. Indeed, the writ should not be denied the complainant when he makes out a clear case, free from doubt and dispute." (*Commissioner of Customs vs. Cloribel, et al.*, 19 SCRA 235.)

The questions that we might ask are:

(1) What was the *status quo* before the private respondents filed their complaint "for specific performance" on December 2, 1987?

(2) Do the private respondents have a clear legal right to demand the reopening of the school?

The *status quo* on December 2, 1987 was that the school was already closed. CMCC was closed effective at the end of the first semester, *i.e.*, the first week of November 1987.

What was the *status quo* prior to the closure of the school? There were no classes. The school was deserted. The teachers and students were on strike; they refused to attend classes and held noisy rallies in front of the CMC hospital instead.

That was the *status quo* before the private respondents filed Civil Case No. 52429. The writ of preliminary mandatory injunction was issued by the trial court not to restore that *status quo*, but to restore conditions preceding the *status quo*, *i.e.*, to reopen and resume the holding of classes which the private respondents themselves (plaintiffs in Civil Case No. 52429) by their mass actions had disrupted. In issuing the writ of preliminary injunction for that purpose, the trial court committed a grave abuse of discretion for it allowed the writ to be used by the plaintiffs to undo the mischief that they themselves had initiated.

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The teachers, by refusing to teach, and the students, by refusing to attend classes, made the continued operation of the CMCC futile and untenable. The college had no reason to remain open under the situation which the private respondents themselves brought about.

Did the private respondents have a clear legal right to reopen the school and to be readmitted therein?

The Court of Appeals answered that question affirmatively on the theory that "the initial enrollment" of the students (meaning their enrollment in the first year of their chosen courses) created "a binding contract" between the students and the school, by which the latter became "legally and morally bound to continue operating the school until such enrollees shall have finished their courses."

The Court of Appeals presumably, but erroneously, relied on paragraph 137, Sec. IV of the Manual of Regulations for Private Schools, which provides:

"Every student has the right to enroll in any school, college or university upon meeting its specific requirements and reasonable regulations, provided, that except in the case of academic delinquency and violation of disciplinary regulations, the student is presumed to be qualified for enrollment for the entire period he is expected to complete his course without prejudice to his right to transfer."

The meaning of this provision is that the school, after having accepted a student for enrollment in a given course may not expel him or refuse to re-enroll him until he completes his course, except when he is academically deficient or has violated the rules of discipline. He is presumed to be qualified to study there for the entire period it will take to complete his course.

However, there is no contract between him and the school for the latter to remain open for the entire duration of his course. Section VII, paragraph No. 137, of the Manual of Regulations for Private Schools provides:

"137. When a student registers in a school, it is understood that he is enrolling for the entire school year for elementary and secondary

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courses, and for *the entire semester for collegiate course*. A student who transfers or otherwise withdraws, in writing, within two weeks after the beginning of classes and who has already paid the pertinent tuition and other school fees in full or for any length of time longer than one month may be charged ten per cent of the total amount due for the term if he withdraws within the first week of classes, or twenty per cent if within the second week of classes, regardless of whether or not he has actually attended classes. The student may be charged all the school fees in full if he withdraws anytime after the second week of classes. However, if the transfer or withdrawal is due to a justifiable reason, the student shall be charged the pertinent fees only up to and including the last month of attendance."

The contract between the college and a student who is enrolled and pays the fees for a semester, is for the entire semester only, not for the entire course. The law does not require a school to see a student through to the completion of his course. If the school closes or is closed by proper authority at the end of a semester, the student has no cause of action for breach of contract against the school.

Thus did this Court rule in "*Alcuaz, et al. vs. Philippine School of Business Administration, Quezon City Branch, et al.*," G.R. No. 76353, promulgated on May 2, 1988, a case which involved some students and teachers who had participated in mass actions and rallies in the respondent school and who were respectively denied re-admission for enrollment, and re-appointment to teaching positions in the school:

"It is beyond dispute that a student once admitted by the school is considered enrolled for one semester. It is provided in Paragraph 137 *Manual of Regulations for Private Schools*, that when a college student registers in a school, it is understood that he is enrolling for the entire semester. Likewise, it is provided in the Manual, that the 'written contracts' required for college teachers are for 'one semester.' It is thus evident that after the close of the first semester, the PSBA-QC no longer has any existing contract either with the students or with the intervening teachers. Such being the case, the charge of denial of due process is untenable. It is a time-honored principle that contracts are respected as the law between the contracting parties (*Henson vs. Intermediate Appellate Court, et al.*, G.R. No. 72456, February 19, 1987, citing: *Castro vs. Court of Appeals*, 99 SCRA 722;

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Escano vs. Court of Appeals, 100 SCRA 197). The contract having been terminated, there is no more contract to speak of. The school cannot be compelled to enter into another contract with said students and teachers. 'The courts, be they the original trial court or the appellate court, have no power to make contracts for the parties.' (*Henson vs. Intermediate Appellate Court, et al., supra.*" (p. 12 of the decision.)

Significantly, in *Alcuaz* only *some* students and teachers left their classrooms to hold rallies in the school premises. The majority remained in the classrooms. The school did not cease to operate. In this case, however, *all* the teachers and students struck and abandoned their classes.

In *Alcuaz*, the mass assemblies and barricades were held for three days. In the CMCC case, the "strike" began on October 14 and continued until the end of the semester.

In *Alcuaz*, the school did not close but it nevertheless refused to re-admit the offending students and teachers. In this case, the school has closed completely.

If in *Alcuaz*, this Court recognized the right of the school to refuse admission to students guilty of breaches of discipline, and of the peace, its right to close when the entire faculty and student population have boycotted their classes, may not be denied. The irony for the school in this case is that it was forced to close by student action, and is now being forced to reopen by student action also, assisted by the lower court. We cannot sanction the order of the lower court which gave aid and comfort to the students who paralyzed the operation of the school by their mass actions forcing it to shut down altogether. We cannot approve a situation which would place a school at the mercy of its students.

We, therefore, hold that the lower court gravely abused its discretion in compelling the CMCC to reopen and re-admit the striking students for enrollment in the second semester of their courses. Since their contracts with the school were terminated at the end of the first semester of 1987, and as the school has already ceased to operate, they have no "clear legal right" to re-enroll and the school has no legal obligation to reopen and

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readmit them. No provision in the Education Act of 1982, nor in the Manual of Regulations for Private Schools can be, or has been, cited to support the novel view that a school is obligated to remain open until its students have completed their courses therein. Indeed, neither is there a law or rule that obligates a student who has enrolled in a school, to remain there until he finishes his course. On the contrary he may transfer at any time to any school that is willing to accept him.

But even if it can be supposed that the enrollment of a student creates an implied "binding contract" with the school to educate him for the entire course, since a contract creates reciprocal rights and obligations, the obligation of the school to educate a student would imply a corresponding obligation on the part of the student to study and obey the rules and regulations of the school. When students breach that supposed contract by refusing to attend their classes, preferring to take to the streets to mount a noisy demonstration *against* their school, the latter may cancel the contract and close its doors. Its action would neither be arbitrary nor unfair.

It was the trial court that acted arbitrarily or with grave abuse of discretion in ordering the school to reopen and readmit the striking students and teachers in spite of their refusal to desist from continuing their disruptive mass actions against the school.

WHEREFORE, the petition for review is granted. The decision dated May 15, 1988 of the Court of Appeals in CA-G.R. SP No. 13626 is hereby set aside. The order and writ of preliminary mandatory injunction issued by the Regional Trial Court of Quezon City, Branch 77, in Civil Case No. Q-52429 are hereby annulled and set aside. Costs against the private respondents.

SO ORDERED.

Narvasa (Chairman), Gancayco, and *Medialdea, JJ.*, concur.

Cruz, J., see separate concurrence.

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CONCURRING OPINION

CRUZ, *J.*:

I concur, but with the following reservation I made in the *Alcuaz* Case:

I also have my misgivings about the ruling of the Court that a student's enrollment is from semester to semester and may be terminated at will by the school after each period. I submit that when a student is enrolled for a particular course, the implicit understanding is that he is entitled to remain in the school until he graduates, subject only to the usual academic, financial and other reasonable requirements.

FIRST DIVISION

[G.R. No. 82564. October 13, 1989]

IGMIDIO ABANDO and CONSOLACION ABANDO, *petitioners, vs.* **FRANCISCO LOZADA, MILAGROS LOZADA and THE HONORABLE COURT OF APPEALS,** *respondents.*

SYLLABUS

1. CIVIL LAW; CONTRACTS; CONSENT TO ENTER INTO A CONTRACT; IF OBTAINED THROUGH FRAUD, CONTRACT MERELY VOIDABLE. — When fraud is employed to obtain the consent of the other party to enter into a contract, the resulting contract is merely a voidable contract, that is, a valid and subsisting contract until annulled or set aside by a competent court. Thus, contrary to the assertion of petitioners the joint venture agreement and the deed of assignment which they unknowingly signed are not void contracts. In fact, this Court has ruled upon a similar question