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SECOND DIVISION

[G.R. No. 190112. April 22, 2015]

PRIMO CO, SR., EDGARDO CRUZ, FE LANNY L. ALEGADO, JESTER B. ONGCHUAN, JOSEPH ONGCHUAN and LUCIANNE CHAM, *petitioners, vs*. **THE PHILIPPINE CANINE CLUB, INC.,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; PROVISIONAL REMEDIES; PRELIMINARY INJUNCTION; NATURE AND PURPOSE.— A preliminary injunction is an order granted at any stage of an action or proceeding prior to the judgment or final order, requiring a party or a court, agency or a person to refrain from a particular act or acts. It is a preservative remedy aimed at no other purpose than to preserve and protect certain substantive rights and interests during the pendency of the principal action. An injunction may be the main action or merely a provisional remedy that is an incident to the main action. As the term itself suggests, a preliminary injunction is merely temporary, and is resorted to only when there is a pressing necessity to avoid injurious consequences that cannot be remedied under any standard of compensation. The sole purpose of a preliminary injunction is to preserve the *status quo* until the merits of the main case can be heard. The *status quo* is the last actual peaceable uncontested status that preceded the controversy. Preliminary injunction is usually granted to prevent a party from committing an act, or threatening the immediate commission of an act that will cause irreparable injury or destroy the *status quo*.

2. ID.; ID.; ID.; ID.; ISSUANCE THEREOF NOT INTENDED TO RESTRAIN CONSUMMATED ACTS, OR TO CORRECT A WRONG DONE IN THE PAST, OR TO REDRESS AN INJURY ALREADY SUSTAINED, OR TO PUNISH WRONGFUL ACTS COMMITTED, BUT TO PRESERVE AND PROTECT THE RIGHTS OF THE LITIGANTS DURING THE PENDENCY OF THE CASE.— It is a well-established rule that consummated acts can no longer be restrained by injunction. When the acts sought to be prevented

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by injunction or prohibition have already been performed or completed prior to the filing of the injunction suit, nothing more can be enjoined or restrained; a writ of injunction then becomes moot and academic, and the court, by mere issuance of the writ, can no longer stop or undo the act. To do so would violate the sole purpose of a prohibitive injunction, that is, to preserve the *status quo*. Moreover, the issuance of a preliminary injunction is not intended to correct a wrong done in the past, or to redress an injury already sustained, or to punish wrongful acts already committed, but to preserve and protect the rights of the litigant during the pendency of the case.

APPEARANCES OF COUNSEL

Cruz Neria & Carpio Law Offices for petitioners.
Puno & Associates Law Office for respondent.

D E C I S I O N

BRION, *J.*:

We resolve this petition for review on *certiorari*[1] assailing the decision[2] dated June 15, 2009, and the resolution[3] dated October 29, 2009 of the Court of Appeals (*CA*) in CA-G.R. SP No. 107516.

These challenged CA rulings reversed and set aside the decision of the Regional Trial Court (*RTC*), Branch 93, Quezon City, granting the prayer for the issuance of a writ of preliminary injunction.

Factual Background

The respondent, Philippine Canine Club, Inc. (*PCCI*), is a non-stock, non-profit organization established in 1963 for the

[1] Under Rule 45 of the Rules of Court, *rollo,* pp. 7-40.

[2] *Id*. at 43-54; penned by Associate Justice Monina Arevalo-Zenarosa, and concurred in by Associate Justices Mariano C. Del Castillo (now a Member of this Court) and Priscilla J. Baltazar-Padilla.

[3] *Id*. at 55-59.

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principal purpose of promoting the breeding of purebred dogs. The petitioners, Primo Co, Sr. (*Co*), Edgardo Cruz (*Cruz*), Fe Lanny L. Alegado (*Alegado*), Jester B. Ongchuan (*Jester*), Joseph Ongchuan (*Joseph*), and Lucianne Cham (*Cham*) were members of PCCI.

Sometime in 2008, the Asian Kennel Club Union of the Philippines, Inc. (*AKCUPI*) was established as a corporate entity, and made known its intention to hold and to sponsor dog shows and events similar to those being held and conducted by other kennel clubs in the Philippines, including the PCCI.

Believing that there was no conflict in the goals and the objectives of PCCI and AKCUPI, and that there was no prohibition on members of PCCI whether express or implied from joining and affiliating themselves with other kennel clubs, the petitioners registered their dogs with AKCUPI.

On May 17, 2008, PCCI amended its By-laws, allegedly without the participation of its non-voting members, including the petitioners. Thereafter, PCCI submitted the Amended By-laws to the Securities and Exchange Commission (*SEC*) for approval. On August 22, 2008, the SEC issued a Certification approving PCCI's Amended By-laws pursuant to Section 48 of the Corporation Code of the Philippines. Among the amendments assailed by the petitioners as onerous was the provision stating:

ARTICLE VI

SUSPENSION, EXPULSION, TERMINATION AND REINSTATEMENT OF MEMBERSHIP

SECTION 6.1 SUSPENSION AND EXPULSION FOR CAUSE

6.1.1 Any member shall be suspended or removed from the roll of membership in the manner provided in these By-Laws and for causes and conduct prejudicial to the best interest and welfare of the corporation, its members and/or the purebred dog sport in the Philippines, including but not limited to, a violation of existing laws, of the Articles of Incorporation and the By-Laws of PCCI and of the rules and regulations, policies and procedures promulgated

by the Board of Directors not otherwise contrary to law or to these By-Laws.

SECTION 6.2 PREJUDICIAL CONDUCT

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(d) **Membership in or direct or indirect participation in the formation, organization, operation and activities of an incorporated or unincorporated organization whose purposes and activities have been determined by the Board of Directors to be prejudicial to the best interest of PCCI, its members and the purebred dog sport.** [Emphasis supplied.]

Subsequently, PCCI's Board of Directors ordered the immediate suspension of petitioners Co, Cruz, Alegado and Jester, due to their registration of their dogs with AKCUPI. In addition, PCCI stripped off Co's champion dog, Phil Hof Palawan Stalwart Ethan, of its title; and prevented Cruz from acting as a judge in any dog shows which he regularly performed in the past.

Shortly thereafter, PCCI sent Co, Cruz and Jester identical letters dated December 15, 2008, informing them of their expulsion from the organization due to their alleged "conduct prejudicial to the best interest" of PCCI. PCCI's General Manager personally advised Alegado about her expulsion, albeit, she has never actually received any formal communication to that effect. As regards Joseph and Cham, PCCI allegedly threatened them with the same sanctions imposed on the other petitioners.

On January 7, 2008, the petitioners filed a case for Annulment of the Amended By-laws, Injunction and Damages with application for the issuance of a Temporary Restraining Order (*TRO*) and/or Writ of Preliminary Injunction before the RTC of Quezon City. The case was docketed as Civil Case No. Q-09-207. The petitioners alleged that the Amended By-laws entirely revised and modified the article on the suspension and expulsion of members. They claim that the adoption of the questioned Amended By-Laws, particularly Article VI on suspension, expulsion and termination of membership, without the participation of PCCI's non-voting members, constitutes a

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violation of Section 6 of the Corporation Code, and consequently rendered the amendments null and void. Since the suspension of Co, Cruz, Alegado and Jester from PCCI, as well as the threatened imposition of the same sanctions on Joseph and Cham are based on this provision, the petitioners prayed that the trial court issue a TRO and, thereafter, a Writ of Preliminary Injunction enjoining PCCI from further implementing the Amended By-laws.[4]

After summary hearing, the RTC issued an Order dated January 14, 2009 granting the petitioners' prayer for the issuance of a TRO. Thereafter, on February 4, 2008, it issued a Writ of Preliminary Injunction. The RTC found that although the petitioners are non-voting members of PCCI, they are still entitled to vote on the amendments of the by-laws under Section 6 of the Corporation Code. Since the May 17, 2008 Amended By-laws was voted upon only by its voting members and without the participation of its non-voting members, including the petitioners, the RTC held that the Amended By-laws is questionable. The RTC thus declared that the petitioners are entitled to the injunctive writ they prayed for. The pertinent portions of the RTC's February 4, 2008 Order states:

> ACCORDINGLY, the plaintiffs' prayer for the issuance of a writ of preliminary injunction is hereby GRANTED. Let such writ issue forthwith restraining and/or prohibiting defendant PCCI from implementing any or all provisions of the 17 May 2008 Amended By-Laws of PCCI and from enforcing and/or implementing the suspension and expulsion of plaintiffs Primo Co, Sr., Edgardo C. Cruz, Fe Lanny L. Alegado, and Jester B. Ongchuan and from sanctioning, either by suspension or expulsion, plaintiffs Joseph A. Ongchuan and Lucianne S. Cham on the basis of the said amended by-laws.
>
> Plaintiffs are hereby directed to post the amount of ₱200,000.00 as and by way of injunctive bond within 2 days from receipt of this Order for the Court's approval thereof. The TRO Bond of ₱100,000.00 earlier posted by plaintiffs is hereby dissolved and said amount should be returned henceforth to said plaintiffs.

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[4] *Id*. at 74.

The PCCI responded to this ruling by filing a Petition for *Certiorari* before the CA, raising the following issues: (1) will preliminary injunction lie to stop the enforcement of the 2008 PCCI Amended By-laws which has already been in effect, and the enforcement of the penalty of expulsion against four (4) of the respondents, which has already been implemented; (2) was the adoption of the 2008 Amended By-laws of petitioner PCCI and the issuance of a certification by the SEC violative of Section 6 of the Corporation Code; (3) was the 2008 Amended By-laws of PCCI legally and validly adopted by the PCCI; and (4) what is the legal effect of the approval of the said 2008 PCCI Amended By-laws by the SEC and its issuance of a certification of the effectivity of the said amended by-laws.

The CA Ruling

In its June 15, 2009 Decision,[5] the CA granted the petition and ruled that the issuance of the assailed writ of preliminary injunction was tainted with grave abuse of discretion. It found that at the time the preliminary injunction was issued, all the petitioners had already been expelled or suspended by PCCI, and the amended By-laws was already in full force and effect.

Relying on the Court's pronouncement in *Bustamante v. Court of Appeals*,[6] the CA ruled that the enforcement of PCCI's amendments to the By-laws, having already been long consummated, could no longer be enjoined since the primary purpose of the injunctive relief is not to correct a wrong already consummated, or to redress an injury already sustained, but to protect and preserve the *status quo* until the finality of the resolution of the main issue. The CA reversed the RTC's Order dated February 4, 2008.

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[5] CA *rollo*, pp. 78-83.

[6] G.R. No. 126371, 17 April 2002, 381 SCRA 171. In this case, the Court held that: "A preliminary injunction is a provisional remedy, an adjunct to the main case, subject to the latter's outcome. Its sole objective is to preserve the status quo until the trial court hears fully the merits of the case. Its primary purpose is not to correct a wrong already consummated, or to redress an injury already sustained, or to punish wrongful acts already committed, but to preserve and protect the rights of the litigants during the pendency of the case."

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The petitioners moved to reconsider this decision, but the CA denied their motion in its resolution dated October 29, 2009. Hence, this petition.

The Petition

The petitioners insist that the CA committed a glaring error when it ruled that "all the petitioners have either been expelled or suspended at the time of the issuance of the writ of preliminary injunction."

They argue that contrary to the factual findings of the CA, not all of them were expelled and suspended at the time of the issuance of the writ of preliminary injunction. They submit that Joseph and Cham were merely threatened with the imposition of sanctions.

They also maintain that what was sought to be restrained by the writ of injunction is the *continuing enforcement* of the void Amended By-laws, as well as the continuing threatened enforcement of the sanctions on Joseph and Cham. They cited the case of *Dayrit v. Delos Santos*[7] (where this Court upheld the propriety of the issuance of an injunctive relief to prevent continuous injury) to support their claim that the CA's ruling that PCCI's amendment to the By-laws may no longer be enjoined is without any factual basis.

The Case for the Respondent

PCCI submits that the CA did not err in holding that the implementation of the Amended By-laws could no longer be enjoined. Since the acts sought to be enjoined has already become *fait accompli*, the prayer for the issuance of a writ of preliminary injunction is unavailing.

The Issues

The core issue that the parties pose to us is ***the propriety of the issuance of the writ of preliminary injunction***. Can the

[7] 18 Phil. 275. In this case, the Court held that: "not only the commission or execution of such acts, but also their continuation can be prevented or prohibited by the said injunction."

court enjoin the enforcement of the PCCI Amended By-laws, which has already been in effect, and the enforcement of the penalty of expulsion against the petitioners, which has already been implemented? Is the pronouncement in *Dayrit v. Delos Santos* applicable in the present case?

The Court's Ruling

We find the petition partly meritorious.

At the outset, we note that the **Court cannot rule on the issue of the validity of the Amended By-laws to prevent a pre-judgment on the merits of the main case that is pending before the RTC**. What we can only resolve for now in the present case is the issue on the propriety of the issuance of the writ of preliminary injunction against the implementation of the Amended By-laws **considering that these were approved by the SEC and enforced prior to the filing of the case**.

A preliminary injunction is an order granted at any stage of an action or proceeding prior to the judgment or final order, requiring a party or a court, agency or a person to refrain from a particular act or acts.[8] It is a preservative remedy aimed at no other purpose than to preserve and protect certain substantive rights and interests during the pendency of the principal action.

An injunction may be the main action or merely a provisional remedy that is an incident to the main action. As the term itself suggests, a preliminary injunction is merely temporary, and is resorted to only when there is a pressing necessity to avoid injurious consequences that cannot be remedied under any standard of compensation.[9]

The sole purpose of a preliminary injunction is to preserve the *status quo* until the merits of the main case can be heard.[10] The *status quo* is the last actual peaceable uncontested status

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[8] Section 1, Rule 58, Revised Rules of Court.

[9] *Los Baños Rural Bank, Inc. v. Africa*, G.R. No. 143994, July 11, 2002.

[10] *Capitol Medical Center v. Court of Appeals*, 178 SCRA 493, October 13, 1989.

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that preceded the controversy.[11] Preliminary Injunction is usually granted to prevent a party from committing an act, or threatening the immediate commission of an act that will cause irreparable injury or destroy the *status quo*.

The petitioners contend that the factual basis of the CA decision is flawed since not all of them were expelled or suspended at the time of the issuance of the writ of preliminary injunction. They argue that since Joseph and Cham were merely threatened with the imposition of sanctions, PCCI's questioned actuations, *i.e., implementation of the Amended By-laws and enforcement of the penalty of expulsion and suspension on Joseph and Cham*, can still be enjoined.

We find the petitioners' argument partly meritorious. However, this court does not fully agree with their submission that the implementation of the Amended By-laws can still be completely enjoined.

A careful review of the records reveals that indeed, not all of the petitioners were expelled or suspended at the time the RTC issued the writ of preliminary injunction. It is clear from the complaint in Civil Case No. Q-09-207,[12] as well as from the Order granting the writ of preliminary injunction,[13] that Joseph and Cham were only threatened with the imposition of sanctions, and were neither suspended nor expelled. Thus, it appears that the trial court can still enjoin the enforcement of the Amended By-laws with respect to Joseph and Cham, as to whom the sanctions were not yet implemented.

However, as regards the suspended and expelled members namely, Co, Cruz, Alegado and Jester, the trial court can no longer enjoin the enforcement of the Amended By-laws as the latter has already been consummated. This conclusion, however, is without prejudice to the Court's final action on the merits of the case.

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[11] *Rodulfa v. Alfonso*, 76 Phil. 225 (1946).

[12] *Rollo*, pp. 60-79.

[13] *Id*. at 165-166.

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It is a well-established rule that consummated acts can no longer be restrained by injunction.[14] When the acts sought to be prevented by injunction or prohibition have already been performed or completed prior to the filing of the injunction suit, nothing more can be enjoined or restrained;[15] a writ of injunction then becomes moot and academic,[16] and the court, by mere issuance of the writ, can no longer stop or undo the act. To do so would violate the sole purpose of a prohibitive injunction, that is, to preserve the *status quo*.

Moreover, the issuance of a preliminary injunction is not intended to correct a wrong done in the past, or to redress an injury already sustained, or to punish wrongful acts already committed, but to preserve and protect the rights of the litigant during the pendency of the case.[17]

In *Philippine National Bank v. Court of Appeals*,[18] the Court ruled that injunctive reliefs are preservative remedies for the protection of substantive rights and interests. When the act sought to be enjoined has become *fait accompli*, the prayer for provisional remedy should be denied.

The Court also ruled in *Go v. Looyuko*[19] that when events sought to be prevented by injunction or prohibition have already happened, nothing more could be enjoined or prohibited. It is a universal principle of law that an injunction will not issue to restrain the performance of an act already done. A writ of injunction becomes moot and academic after the act sought to be enjoined has already been consummated.

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[14] *Verzosa v. Court of Appeals*, G.R. Nos. 119511-13, November 24, 1998, 299 SCRA 100.

[15] *Ramos, Sr. v. Court of Appeals*, G.R. No. 80908, May 24, 1989, 173 SCRA 550.

[16] *PCIB v. NAMAWU-MIF*, G.R. No. 50402, August 19, 1982, 115 SCRA 873.

[17] *Paramount Insurance Corporation v. Court of Appeals*, G.R. No. 110086, July 19, 1999, 310 SCRA 377.

[18] 353 Phil. 473 (1998).

[19] G.R. Nos. 147923, 147962, 154035, October 26, 2007, 537 SCRA 445, 479.

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In the present case, the act sought to be restrained by the petitioners has already been partly accomplished. The actual suspension and expulsion of Co, Cruz, Alegado and Jester from PCCI rendered their prayer for injunctive relief moot. Evidently, it is no longer possible to grant the relief they were seeking – *that is, to stop PCCI from implementing their suspension and expulsion* – as the same has already been consummated. The *status quo* can no longer be restored.

Furthermore, *Dayrit v. Delos Santos*, the case cited by the petitioners is not squarely applicable to the present case. The factual circumstances in that case are clearly distinguishable from those in the present case.

In *Dayrit*, the party praying for an injunction alleged not only acts that were already committed or consummated, but also those acts that the defendant could still continue to execute unless restrained. Moreover, the acts sought to be restrained in that case (*i.e., making excavations, opening a ditch, and construction of a dam*) are capable of being continued or repeated. In other words, the defendant's questioned acts, even if partly or initially executed, are capable of continuation, as these acts consist of several stages that are not consummated by a mere single act.

In the present case, the suspension and expulsion of petitioners Co, Cruz, Alegado and Jester are finished completed acts and which can only be restored depending on the final outcome of the case on the merits. This is different from the acts enjoined in *Dayrit* which consisted of the making of excavations, opening a ditch, and construction of a dam, which were all continuing.

Hence, we cannot apply the ruling that "*not only the commission or execution of such acts, but also their* ***continuation*** *can be prevented or prohibited by an injunction.*" Thus, we hold that the trial court's issuance of the writ of preliminary injunction, insofar as petitioners Co, Cruz, Alegado and Jester, is improper, as the same may no longer be availed of.

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WHEREFORE, premises considered, we hereby **PARTLY GRANT** the petition for review on *certiorari*. The relief of preliminary injunction is **GRANTED** with respect to petitioners Joseph Ongchuan and Lucianne Cham. With respect to petitioners Primo Co, Sr., Edgardo Cruz, Fe Lanny L. Alegado, and Jester B. Ongchuan, the relief is **DENIED**.

SO ORDERED.

Carpio (Chairperson), Peralta,[*] *Mendoza,* and *Leonen, JJ.,* concur.

SPECIAL SECOND DIVISION

[G.R. No. 191667. April 22, 2015]

LAND BANK OF THE PHILIPPINES, *petitioner, vs.* **EDUARDO M. CACAYURAN,** *respondent*, **MUNICIPALITY OF AGOO, LA UNION,** *intervenor.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; PARTIES TO CIVIL ACTIONS; INDISPENSABLE PARTIES; THE ABSENCE OF AN INDISPENSABLE PARTY RENDERS ALL SUBSEQUENT ACTIONS OF THE COURT NULL AND VOID, FOR WANT OF AUTHORITY TO ACT, NOT ONLY AS TO THE ABSENT PARTY BUT EVEN AS TO THOSE PRESENT; INDISPENSABLE PARTY, DEFINED.— Section 7, Rule 3 of the Rules of Court mandates that all indispensable parties should be joined in a suit x x x. "An indispensable party is one whose interest will be affected by the court's action in the litigation, and without whom no final determination of the case can be had. The party's interest in

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[*] Designated additional Member in lieu of Associate Justice Mariano C. Del Castillo per raffle dated April 13, 2015.