

### Title:

Ekistics Philippines, Inc. vs. Bangko Sentral ng Pilipinas: A Case on Jurisdiction and Preliminary Injunction in Bank Liquidation

### Facts:

Ekistics Philippines, Inc. (Ekistics), a minority stockholder of Banco Filipino, contested actions taken by the Bangko Sentral ng Pilipinas (BSP) regarding the liquidation of Banco Filipino's assets. After the BSP, via its Monetary Board, placed Banco Filipino under receivership in March 2011, and later under liquidation in October 2011, Ekistics filed a petition for assistance in the bank's liquidation process. While seeking to intervene in the liquidation proceedings, Ekistics also applied for a Temporary Restraining Order (TRO) and a Writ of Preliminary Injunction (WPI) to halt the BSP's sale of Banco Filipino's assets.

The Makati RTC granted the TRO and subsequently the WPI against the BSP, setting an injunction bond which Ekistics was to furnish. BSP, in turn, filed a Petition for Certiorari under Rule 65 with the Court of Appeals (CA), challenging the RTC orders. The CA, in a series of decisions, ultimately set aside the RTC's orders and dismissed Ekistics' petition-in-intervention on the grounds that the RTC lacked jurisdiction over BSP as it was not impleaded in the case and the essential elements for the issuance of a WPI were not established.

### Issues:

1. Did the CA err in ruling that the RTC had no jurisdiction over Ekistics' Petition-in-Intervention?
2. Was the lifting of the WPI issued by the RTC against BSP valid?
3. Does the principle of judicial courtesy apply in this case?

### Court's Decision:

The Supreme Court denied Ekistics' Petition for Review on Certiorari, thereby affirming the CA's Second Amended Decision. The Court iterated that:

1. The CA correctly ruled that the RTC had no jurisdiction over BSP, as it was not impleaded in Ekistics' Petition-in-Intervention, making the RTC's orders void for lacking jurisdiction over BSP.
2. The elements for the issuance of a WPI were not met, as Ekistics failed to demonstrate a clear and unmistakable right to be protected and failed to establish that it would suffer grave and irreparable injury.
3. While addressing the principle of judicial courtesy, the Court deemed it moot in this case

but explained that issues before the Court would not render moot the proceedings in the lower court, given the specific provisions of R.A. No. 3591 and R.A. No. 7653 concerning BSP's powers in bank liquidation.

### Doctrine:

This case reaffirms the doctrines pertaining to the jurisdiction of courts over persons not impleaded in a case and the stringent requirements for the issuance of writs of preliminary injunction, emphasizing that such writs are extraordinary remedies requiring clear legal entitlement and irreparable harm.

### Class Notes:

- The concept of jurisdiction over the person requires that the individual or entity be properly impleaded in the case for the court to exercise its power.
- For a Writ of Preliminary Injunction to be issued, it is imperative to establish a clear and unmistakable right that needs protection, a material and substantial invasion of that right, urgent and paramount necessity for the writ to prevent serious damage, and no other ordinary, speedy, and adequate remedy exists.
- The principle of judicial courtesy applies when the higher court's pending determination could be rendered moot by continuing proceedings in the lower court.

### Historical Background:

The interplay between corporate stakeholders and regulatory bodies in bank liquidation proceedings underscores the critical balance between protecting investors' interests and ensuring the stability of the financial system. This case illustrates the procedural and jurisdictional complexities that can arise in the context of bank failures and liquidations, highlighting the judiciary's role in adjudicating such disputes.