

Title:

Candari Jr. et al. vs. Donasco et al. (G.R. No. 182702)

Facts:

The respondents, members of the board of directors of the Dolefil Agrarian Reform Beneficiaries Cooperative, Inc. (DARBCI), were elected on July 12, 1998, and their terms ended on July 12, 2000. They continued to serve in a holdover capacity beyond their terms. On November 23, 2005, they filed Civil Case No. 471-05 at the Regional Trial Court (RTC) of Polomolok, South Cotabato, seeking to enjoin the petitioners from holding a special general assembly (GA) and electing new officers, alleging it was not in accordance with Sec. 35 of Republic Act No. 6938 (Cooperative Code of the Philippines).

The RTC issued a 72-hour Temporary Restraining Order (TRO) on November 24, 2005. Despite this, 5,910 members (78.68% of membership) held the GA on November 26, 2005, and elected the petitioners as a new board in absentia. The TRO was extended to 20 days from issuance on December 1, 2005. The RTC, considering the supervening events post-TRO issuance, found the issue moot and quashed the TRO on December 8, 2005.

Subsequently, the respondents filed an Amended Complaint to stop the petitioners from assuming office. On November 29, 2006, the RTC dismissed the Amended Complaint, stating the respondents had no legal right to file the suit, rendering the case moot due to the GA's actions.

The respondents subsequently filed a Petition for Certiorari with the Court of Appeals (CA), which ruled in their favor, remanding the case to the RTC. The appellate court held that the Amended Complaint stated a cause of action and the RTC gravely abused its discretion.

Petitioners sought reconsideration, which was denied, leading to the present petition before the Supreme Court.

Issues:

1. Did the CA err in entertaining a Petition for Certiorari as a remedy?
2. Did the CA err in ruling that respondents' Amended Complaint stated a cause of action?
3. Was the issue of the election moot given the supervening events?

Court's Decision:

1. ****Appropriate Remedy:****
- The Supreme Court ruled that the trial court did not commit grave abuse of discretion. A

writ of certiorari is a discretionary remedy and not automatically available just because a party disagrees with the trial court's order.

2. **Cause of Action:**

- The Supreme Court found no error in the trial court's determination that the respondents lacked a cause of action. The GA held a valid election recognizing the new officers, which rendered the Appellate Complaint moot. The RTC was correct in considering the evidence during the hearing for the preliminary injunction.

3. **Mootness of the Issue:**

- The Supreme Court stated that the case had become moot and academic as the GA, the cooperative's highest policy-making body, had subsequently amended the articles of cooperation and by-laws and elected new officers. Even if there were procedural issues with the election held on November 26, 2005, subsequent elections and governance decisions by the GA rendered seeking to nullify these obsolete. Flowing from this principle, there was no practical relief that could be accorded by remanding the case.

Doctrines:

- **Mootness and Supervening Events:** Issues on cooperative elections can become moot if the General Assembly, the supreme policy-making body of the cooperative, validated actions through subsequent elections. Courts are constrained from acting if no practical benefits can arise from the adjudication of a moot question.

Class Notes:

- **Key Elements/Concepts:**

1. **Temporary Restraining Order (TRO):** Issued to maintain the status quo, which becomes irrelevant if subsequent events overtake the situation.
2. **Filing an Amended Complaint:** Restates claims, but its dismissal indicates no actionable legal right.
3. **Petition for Certiorari:** Remedy used to correct acts of grave abuse of discretion by a lower court or tribunal.
4. **Mootness Doctrine:** When developments render a decision unnecessary, given no practical legal effect can follow.
5. **General Assembly's Authority:** Highest policy-making body in cooperative structures, can ratify and rescind actions which impact governance.

Historical Background:

This case reflects the operational challenges within cooperative structures in the Philippines, particularly tied to the Comprehensive Agrarian Reform Program (CARP). The conflict showcases the legal remedies available to members in disputes over the governance of cooperatives and emphasizes the role of the judiciary in resolving such contentions while underscoring procedural adherence. The Cooperative Code of the Philippines and its amendments play crucial roles in disputes like these, making it essential for cooperative entities to conform to its stipulations to avoid protracted legal issues.