

MANUEL CUDIAMAT, JOSE SUGAY AND MARKETING & SERVICES, INC., PETITIONERS, VS. HONORABLE GUILLERMO E. TORRES, PRESIDING JUDGE, BRANCH VII, COURT OF FIRST INSTANCE OF RIZAL, ITT, (...)

G.R. No. L-24225. February 22, 1968

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Petition for certiorari and prohibition, with preliminary injunction against a preliminary injunction issued by the Court of First Instance of Rizal, which restrained the herein petitioners from carrying out or implementing an award on a public bidding for the supply of a police call and signal box system for the City of Manila.

The committee on awards for the City of Manila, composed of the petitioners Manuel Cudiamat, City Treasurer, Jose Sugay, Head Executive Assistant of the City Mayor, and Jose Erestain, City Auditor, (the last-named did not join in the present petition) published on 8 May 1964, an invitation to bid for the supply of the aforesaid police call and supply box system for the Manila Police Department Station No. 6. Four companies, among then the herein petitioner Marketing & Services, Inc. and the herein private respondent International Telephone & Telegraph (Philippines) Inc., hereinafter referred to as ITT, (Phil.), answered the call for bids and tendered their corresponding offers or proposals.

After evaluating the different bids, the committee on awards decided for the petitioner Marketing & Services, Inc. The said awardee thereupon entered into contract with the City of Manila on 3 September 1964, and then opened an irrevocable letter of credit in favor of its foreign supplier on 22 September 1964.

On 25 September 1964, respondent ITT, (Phil.) filed a petition with the Court of First Instance of Rizal, docketed as Civil Case No. 8394, against the aforesaid members of the committee on awards, in their official as well as in their personal capacities and against Marketing & Services, Inc., ITT, (Phil.) praying for a preliminary injunction against the implementation of the award, and, after hearing, for its annulment, for damages, and that it be adjudged as the winning bidder and the one entitled to the award. The grounds for the petition are allegedly the disqualification of Marketing & Services, Inc. as an irresponsible bidder within the meaning and intent of the conditions imposed in the invitation to bid; that the cited city officials of Manila had violated the statutory prohibition to public officials from entering into a transaction manifestly and grossly disadvantageous to the government[1], and that the bid of ITT, (Phil.) was upon its face not only the lowest in point of cost, but also the most advantageous to the City of Manila.

The Court of First Instance of Rizal, after considering the verified petition of ITT, (Phil.) and the opposition thereto filed by the respondents therein, ordered the issuance of a writ of preliminary injunction on 29 October 1964.

Therein respondents (herein petitioners) moved for reconsideration, but their motion was denied on 12 January

1965; hence, they filed the present petition with the Supreme Court.

By resolution of this Court on 1 March 1965, a writ of preliminary injunction was issued, enjoining, until further orders from this Court, the implementation of the order of 29 October 1964 of the Court of First Instance of Rizal in its Civil Case No. 8394, and from further proceedings in the said case.

A resolution of the first of the four issues raised in the will suffice to dispose of the instant controversy. This issue is: May a court of first instance issue a writ of preliminary injunction which will be enforced outside the territorial boundaries of its province and district?

The power of a court to issue an injunction, which is a matter of jurisdiction, is one of legislative enactment (*Manila Railroad Co. vs. Atty. Gen.*, 20 Phil. 523) but the manner of its exercise is prescribed by the Rules of Court. Thus, the Judiciary Act, as amended, provides:

"Sec. 44. Original Jurisdiction. - Courts of First Instance shall have original jurisdiction:

x x x x x x

"(h) Said courts and their judges, or any of them, shall have power to issue writs of injunction, mandamus, certiorari, prohibition, quo warranto and habeas corpus in their respective provinces and districts, in the manner provided in the Rules of Court." (Emphasis supplied)

The above provision should not be confused with Section 2, Rule 58 of the Revised Rules of Court (Sec. 2, Rule 60 of the old Rules) which reads as follows:

"SEC. 2. Who may grant preliminary injunction. - A preliminary may be granted by the judge of any court in which the action is pending, or by a Justice of the Court of Appeals or of the Supreme Court. It may also be granted by the judge of a Court of First Instance in any action pending in an inferior court within his district."

The preliminary injunction that may be granted by a court of first instance under said Section 2 is, in its application, co-extensive with the territorial boundaries of the province or district in which the said court sits. (*Acosta vs. Alvendia, et al.*, L-14598, 31 Oct. 1960; *Alhambra Cigar & Cigarette Manufacturing Co., Inc. vs. National Administrator of Regional Office No. 2, etc., et al.*, L-20491, 31 Aug. 1965; *Peo. et al. vs. Mencias*, L-19633, 28 Nov. 1966)

Since the injunction issued by the Court of First Instance of Rizal purports to restrain acts outside the province of Rizal, it is null and void, for want of jurisdiction.

WHEREFORE, the writ of preliminary injunction issued by this Court on 1 March 1965 is hereby made permanent, with costs against respondent International Telephone & Telegraph (Philippines), Inc.

Concepcion, C.J., Dizon, Makalintal, Bengzon, J.P., Zaldivar, Sanchez, Castro, Angeles, and Fernando, JJ., concur.

[1] ITT, (Phil.) specified the Anti-Graft & Corrupt Practices Act, Rep. Act 3019, in its Memorandum, p. 10.

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