

ERNESTO V. YU AND MANUEL C. YUHICO, PETITIONERS, VS. THE ORCHARD GOLF & COUNTRY CLUB, INC., EXEQUIEL D. ROBLES, CARLO R.M. MAGNO, CONRADO L. BENITEZ II, VICENTE R. SANTOS, HENRY...

G.R. NO. 150335. March 01, 2007

Ponente: CORONA, J.

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CORONA, J.:

The events leading to these consolidated cases (a petition for review on certiorari[1] and a special civil action for certiorari[2] from a decision and a resolution of the Court of Appeals[3] [CA]) began with a game of golf.

On May 28, 2000, a Sunday, petitioners Ernesto Yu and Manuel Yuhico went to the Orchard Golf & Country Club to play a round of golf with another member of the club. At the last minute, however, that other member informed them that he could not play with them.[4] Due to the "no twosome" policy of the Orchard contained in the membership handbook prohibiting groups of less than three players from teeing off on weekends and public holidays before 1:00 p.m.,[5] petitioners requested management to look for another player to join them.

Because petitioners were unable to find their third player, petitioner Yu tried to convince Francis Montallana, Orchard's assistant golf director, to allow them to play twosome, even if they had to tee off from hole no. 10 of the Palmer golf course. Montallana refused, stating that the flights which started from the first nine holes might be disrupted. Petitioner Yu then shouted invectives at Montallana, at which point he told petitioner Yuhico that they should just tee off anyway, regardless of what management's reaction would be.[6] Petitioners then teed off, without permission from Montallana. They were thus able to play, although they did so without securing a tee time control slip before teeing off, again in disregard of a rule in the handbook.[7] As a result of petitioners' actions, Montallana filed a report on the same day with the board of directors (the board).[8]

In separate letters dated May 31, 2000,[9] the board, through respondent Clemente, requested petitioners to submit their written comments on Montallana's incident report dated May 28, 2000. The report was submitted for the consideration of the board.

Subsequently, on June 29, 2000, the board resolved to suspend petitioners from July 16 to October 15, 2000, and served notice thereof on them.[10]

On July 11, 2000, petitioners filed separate petitions for injunction with application for temporary restraining order (TRO) and/or preliminary injunction[11] with the Securities Investigation and Clearing Department (SICD) of the Securities and Exchange Commission (SEC), at that time the tribunal vested by law with jurisdiction to hear and decide intra-corporate controversies. The cases, in which petitioners assailed the validity of their suspension, were docketed as SEC Case Nos. 07-00-6680 and 07-00-6681. They were eventually consolidated.

After a joint summary hearing on the aforesaid petitions, the SEC and SICD, on July 14, 2000, issued a TRO effective for 20 days from issuance, restraining and enjoining respondents, their agents or representatives from implementing or executing the suspension of petitioners.[12]

On August 1, 2000, the SEC en banc issued its "Guidelines on Intra-Corporate Cases Pending Before the SICD and the Commission en banc of the Securities and Exchange Commission"[13] (guidelines). Sections 1 and 2 of these guidelines provided:

Section 1. Intra-corporate and suspension of payments or rehabilitation cases may still be filed with the Securities and Exchange Commission on or before August 8, 2000. However, the parties-litigants or their counsels or representatives shall be advised that the jurisdiction of the Commission over these cases shall be eventually transferred to the Regional Trial Courts upon effectivity of The Securities Regulation Code by August 9, 2000.

Section 2. Prayers for temporary restraining order or injunction or suspension of payment order contained in cases filed under the preceding section may be acted upon favorably provided that the effectivity of the corresponding order shall only be up to August 8, 2000. Prayers for other provisional remedies shall no longer be acted upon by the Commission. In all these cases, the parties-litigants or their counsels or representatives shall be advised that the said cases will eventually be transferred to the regular courts by August 9, 2000. (emphasis ours)

After hearing petitioners' applications for preliminary injunction, the SEC-SICD issued an order dated August 2, 2000[14] directing the issuance of a writ of preliminary injunction enjoining the individual respondents, their agents and representatives from suspending petitioners, upon the latter's posting of separate bonds of P40,000. This petitioners did on August 4, 2000.[15]

On August 7, 2000, the SEC-SICD issued a writ of preliminary injunction[16] against respondents directing them to strictly observe the order dated August 2, 2000.

On October 31, 2000, the board held a special meeting in which it resolved to implement the June 29, 2000 order for the suspension of petitioners in view of the fact that the writs of injunction issued by the SICD in their respective cases had already lapsed on August 8, 2000 under the SEC guidelines.[17]

In separate letters dated December 4, 2000[18] addressed to each petitioner, respondent Clemente informed them that the board was implementing their suspensions.

On December 12, 2000, petitioners filed a petition for indirect contempt against respondents in the Regional Trial Court (RTC) of Dasmariñas, Cavite, docketed as Civil Case No. 2228-00.[19]

In an order dated December 13, 2000,[20] the Dasmariñas, Cavite RTC, Branch 90, through Judge Dolores S. Española, directed the parties to maintain the "last, actual, peaceable and uncontested state of things," effectively restoring the writ of preliminary injunction, and also ordered respondents to file their answer to the petition. Respondents did not file a motion for reconsideration but filed a petition for certiorari and prohibition with the CA, docketed as CA-G.R. SP No. 62309, contesting the propriety of the December 13, 2000 order of Judge Española. They also prayed for the issuance of a TRO and writ of preliminary injunction.

The CA reversed the Dasmariñas, Cavite RTC in the first assailed decision dated August 27, 2001.

In view of the CA's decision in CA-G.R. SP No. 62309, respondents finally implemented petitioners' suspension.

In the meantime, petitioners filed a motion ad cautelam dated August 30, 2001[21] in the RTC of Imus, Cavite, Branch 21, praying for the issuance of a TRO and/or writ of injunction to enjoin respondents from implementing the suspension orders. They alleged that neither the CA nor this Court could afford them speedy and adequate relief, hence the case in the RTC of Imus, Cavite. The case was docketed as SEC Case Nos. 001-01 and 002-01.

On September 7, 2001, the Imus, Cavite RTC issued a TRO.[22] Respondents filed a motion for reconsideration on September 9, 2001.

It was after the issuance of this TRO that petitioners filed, on September 12, 2001, a motion for reconsideration of the CA's decision in CA-G.R. SP No. 62309. In a resolution dated October 10, 2001, the CA denied petitioners' motion,[23] prompting them to elevate the matter to this Court via petition for review on certiorari, docketed as G.R. No. 150335.

In an order dated September 21, 2001,[24] the Imus, Cavite RTC denied respondents' motion for reconsideration and directed the issuance of a writ of preliminary injunction. This prompted respondents to file another petition for certiorari in the Court of Appeals[25] which, in the assailed resolution, issued a TRO against the Imus, Cavite RTC, enjoining it from implementing the writ of preliminary injunction.

At this point, petitioners filed their second petition in this Court, this time a special civil action for certiorari, docketed as G.R. No. 152687, which included a prayer for the issuance of a TRO and/or the issuance of a writ of preliminary injunction to restrain the enforcement of the CA-issued TRO.

On May 6, 2002, the Court issued a resolution consolidating G.R. No. 152687 and G.R. No. 150335.[26]

In G.R. No. 150335, the issue for consideration is whether Sections 1 and 2 of the SEC guidelines dated August 1, 2000 shortened the life span of the writs of preliminary injunction issued on August 7, 2000 by the SEC-SICD in SEC Case Nos. 07-00-6680 and 07-00-6681, thereby making them effective only until August 8, 2000.

At issue in G.R. No. 152687, on the other hand, is whether or not the CA committed grave abuse of discretion amounting to lack of jurisdiction by issuing a TRO against the Imus, Cavite RTC and enjoining the implementation of its writ of preliminary injunction against respondents.

We first resolve the issue in G.R. No. 150335.

Petitioners contend that the guidelines could not have possibly limited the effectivity of their writs of preliminary injunction only until August 8, 2000 for two reasons: (1) the intention of the guidelines was to cover applications for such writs and provisional remedies made on or after August 1, 2000 and (2) in any event, the guidelines were void for lack of publication.

Petitioners' contentions have no merit.

Petitioners' first contention boils down to an interpretation of Sections 1 and 2 of the guidelines. However, the guidelines were clear and categorical, such that there simply was no need for petitioners' extended interpretation. Section 1 established a cut-off date for the filing of intra-corporate, suspension of payments or rehabilitation cases while Section 2 provided a cut-off date for the effectivity of provisional remedies granted in such cases. In other words, the parties were allowed to file their cases before August 8, 2000 but any provisional remedies the SEC granted them were to be effective only until that date. Given that the SEC order and writ of injunction were issued on August 2 and 7, 2000, respectively, both were undoubtedly covered by the guidelines and the stated cut-off date.

It is well-settled that where the language of the law (or, in this case, the guidelines) is clear and unequivocal, it must be taken to mean exactly what it says.[27]

Regarding petitioners' contention that the guidelines were void for want of publication, we also find it to be without merit.

Ironically, in attempting to demonstrate the nullity of the guidelines, petitioners themselves gave the very reason why their effectivity was unaffected by their lack of publication. Petitioners attached, as an annex to their petition, a letter from then SEC general counsel Eugenio Reyes explaining that "said guidelines was (sic) not published as it (sic) was primarily intended only for the guidance of and compliance by the hearing officers concerned." [28]

Interpretative regulations and those merely internal in nature regulating only the personnel of the administrative agency and not the public need not be published.[29]

The guidelines, in particular Sections 1 and 2, were clear that they were meant for the information of the officers of the SEC only. For example, the clause "the parties-litigants or their counsels or representatives shall be advised" appearing in both Sections 1 and 2 would have been completely unnecessary had these guidelines been intended for the general public. No doubt, the guidelines were meant to serve as an advisory to all SEC officers to refrain from accepting new cases because of the impending transfer of jurisdiction to the regular courts (RTCs).

The guidelines were issued in line with PD 902-A which explicitly conferred on the SEC the power to issue injunctions and everything this power implied.[30] This included the power to limit (as the guidelines did) the duration or period of effectivity of the writs of preliminary injunction issued by SEC hearing officers and hearing panels.

The issuance or recall of a preliminary writ of injunction is an interlocutory matter that remains at all times within the control of the court or quasi-judicial body that issued it.[31] Thus, petitioners could not rightfully claim a vested right to an injunctive writ.

We now move on to the issue in G.R. No. 152687 regarding the CA's alleged grave abuse of discretion in issuing the TRO against petitioners in CA-G.R. SP No. 67664.

The TRO issued by the CA on March 26, 2002 has long lapsed, its lifetime under Rule 58 of the Rules of Court being only 60 days.[32] Respondents themselves admit that the CA allowed its TRO to lapse.[33] Because there is nothing that will now stop the Imus, Cavite RTC from implementing its writ of preliminary injunction against respondents, there is no need for us to issue any order enjoining respondents from implementing petitioners'½ suspension. This petition, as a result, has become moot and academic.

WHEREFORE, the petition in G.R. No. 150335 is hereby DENIED and the decision dated August 27, 2001 of the Court of Appeals in CA-G.R. SP No. 62309 AFFIRMED. The petition in G.R. No. 152687 is hereby DISMISSED for being moot and academic.

Costs against petitioners.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, and Garcia, JJ., concur.
Azcuna, J., on official leave.

[1] Under Rule 45 of the Rules of Court.

[2] Under Rule 65 of the Rules of Court.

[3] Decision dated August 27, 2001 in CA-G.R. SP No. 62309, penned by Associate Justice Candido V. Rivera (retired) and concurred in by Associate Justices Conchita Carpio-Morales (now Associate Justice of the Supreme Court) and Rebecca de Guia-Salvador, rollo (G.R. No. 150335), pp. 35-45; Resolution dated March 26, 2002 in CA-G.R. SP No. 67664, penned by Associate Justice Eubolo G. Verzola (retired) and concurred in by Associate Justices Perlita J. Tria-Tirona (retired) and Bernardo P. Abesamis (retired), rollo (G.R. No. 152687), pp. 60-61.

[4] Rollo (G.R. No. 150335), p. 7.

[5] Id., p. 410.

- [6] Id., p. 51.
- [7] Id., pp. 35-36.
- [8] Supra note 6.
- [9] Rollo (G.R. No. 150335), pp. 49-50.
- [10] Id., pp. 56-57.
- [11] Id., pp. 58-98.
- [12] Id., pp. 100-101.
- [13] Id., pp. 426-427.
- [14] Id., pp. 103-105.
- [15] Id., pp. 106-107.
- [16] Id., pp. 108-109.
- [17] Id., pp. 130-131.
- [18] Id., pp. 129, 132.
- [19] Id., pp. 135-158.
- [20] Id., pp. 159-161.
- [21] Rollo (G.R. No. 152687), pp. 319-329.
- [22] Id., pp. 364-365.
- [23] Rollo (G.R. No. 150335), p. 48.
- [24] Rollo (G.R. No. 152687), pp. 390-392.
- [25] Id., pp. 424-465.
- [26] Id., p. 643.
- [27] *Victoria v. COMELEC*, G.R. No. 109005, 10 January 1994, 229 SCRA 269; *Globe-McKay v. NLRC*, 3 March 1992, 206 SCRA 701; *Kapisanang Manggagawang Pinagyakap v. National Labor Relations Commission*, G.R. No. L-60328, 16 July 1987, 152 SCRA 96.
- [28] Rollo (G.R. No. 150335), p. 349.
- [29] *National Amnesty Commission v. Commission on Audit*, G.R. No. 156982, 8 September 2004, 437 SCRA 655; *Tañada v. Tuvera*, 230 Phil. 528 (1986).
- [30] SEC. 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:
- a) To issue preliminary or permanent injunctions, whether prohibitory or mandatory, in all cases in which it has jurisdiction, and in which cases the pertinent provisions of the Rules of Court shall apply; xxx
 - m) To exercise other such powers as may be provided by law as well as those which may be implied from, or which are necessary or incidental to the carrying out of, the express powers granted to the Commission or to

achieve the objectives and purposes of this Decree.

In the exercise of the foregoing authority and jurisdiction of the Commission, hearing shall be conducted by the Commission or by a Commissioner or by such other bodies, boards, committees and/or any officer as may be created or designated by the Commission for purpose;½The Commission shall promulgate rules of procedure to govern the proceedings, hearings and appeals of cases falling within its jurisdiction.

[31] Alvaro v. Zapata, 204 Phil. 356 (1982).

[32] SEC. 5. xxx However, if issued by the Court of Appeals, or a member thereof, the temporary restraining order shall be effective for sixty (60) days from service on the party or person sought to be enjoined. A restraining order issued by the Supreme Court or a member thereof shall be effective until further notice.

[33] Rollo (G.R. No. 150335), p. 1173.

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