

PHILIPPINE SCHOOL OF BUSINESS ADMINISTRATION – QUEZON CITY, PETITIONER, VS. HON. LITA S. TOLENTINO-GENILO, AS PRESIDING JUDGE, REGIONAL TRIAL COURT OF QUEZON CITY, BRANCH 91, DE...

G.R. No. 159277. December 21, 2004

Ponente: GARCIA, J.

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GARCIA, J.:

Challenged in this petition for review on certiorari under Rule 45 of the Rules of Court are the following issuances of the Court of Appeals in CA-G.R. SP No. 56430, to wit:

- Decision dated January 30, 2003[1], affirming an earlier resolution of the Regional Trial Court at Quezon City, Branch 91, which denied petitioner's application for a temporary restraining order and writ of preliminary injunction; and

- Resolution dated July 2, 2003, denying petitioner's motion for reconsideration.

On August 27, 1999, in the Regional Trial Court at Quezon City, Branch 91, petitioner Philippine School of Business Administration filed a complaint for reformation of contract with prayer for a temporary restraining order and writ of preliminary injunction, against the Department of Public Works and Highways (DPWH, for short), the Light Rail Transit Authority, and the Building Official and the City Engineer of Quezon City.[2]

In its complaint, petitioner alleged, inter alia, that on August 27, 1997, it entered into a deed of conditional sale with the Republic of the Philippines, through the DPWH, whereunder it would convey to DPWH a parcel of land with a area of 1,128 square meters upon DPWH's payment of the sum of P10,467,840.00, at the rate of P9,200.00 per square meter, a condition which was duly satisfied by DPWH.

In the same complaint, petitioner principally prayed for the reformation of the aforementioned deed of conditional sale on account of an alleged mutual mistake committed by the parties relative to the actual area subject of the deed. Petitioner claimed that the area it sold to DPWH was erroneously placed at 1,128 square meters when, in truth and in fact, its intention was to cede only the area of the land outside its existing perimeter fence, consisting of 543 square meters.

Petitioner further alleged that respondents, to pave the way for the construction of the Light Rail Transit Line 2 Project, were poised to take the land within its present perimeter fence and demolish its existing improvements thereon, such as its school bookstore, clinic, canteen, water reservoir, septic vault and drainage system, all located within the area mistakenly conveyed by it to the DPWH under the aforementioned deed of conditional sale.

As provisional remedies, petitioner implored the trial court to issue a temporary restraining order and writ of preliminary injunction enjoining all the named defendants [now private respondents] from proceeding with the take over of portion of its property mistakenly included in the aforementioned deed of conditional sale and the

demolition of its existing improvements thereon.

In a resolution dated September 7, 1999, the trial court denied petitioner's application for a temporary restraining order and writ of preliminary injunction.[3] Says the trial court in the same resolution:

xxx Movant argued that they are not enjoining the government project but what they are against is the demolition of the school building as it is without due process. The Court believes that the government infrastructure cannot be accomplished without demolishing plaintiff's structure. This is a situation wherein the welfare of the plaintiff has to be sacrificed in favor of the welfare of the State. Further, as stated in their pleading, what is to be demolished is a one-storey building used as canteen, bookstore, etc. Plaintiff failed to prove that these services could not be housed in another area of the premises. Movant failed to show to the Court that the damage or injury to be suffered is irreparable. Further, whether or not P.D. 1818 is constitutional cannot be resolved in a summary proceeding. Since no forum has made the pronouncement that it is unconstitutional, the presumption that all laws are constitutional holds.

The Court finds no reasonable ground established by the plaintiff to warrant the grant of the temporary restraining order and/or injunction, pursuant to Section 3, Rule 58, Rules of Civil Procedure.

Further, the Supreme Court has issued an Administrative Circular No. 07-99 regarding the utmost caution and prudence of all lower court judges in issuance of TRO and Writs of Preliminary Injunction. xxx

With its motion for reconsideration having been denied by the same court in its subsequent resolution of October 28, 1999,[4] petitioner filed a petition for certiorari before the Court of Appeals, whereat its recourse was docketed as CA-G.R. SP No. 56430.

In the herein assailed decision dated January 30, 2003,[5] the Court of Appeals denied the petition. In time, petitioner moved for a reconsideration, but the motion was similarly denied by the appellate court in its resolution of July 2, 2003.[6]

Petitioner is now with us via the instant recourse on the following assigned errors:

I

THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT UPHELD THE COURT A QUO'S DENIAL OF THE ISSUANCE OF A TEMPORARY RESTRAINING ORDER, WHEN ALL THE REQUISITES FOR THE ISSUANCE THEREOF ARE PRESENT IN THIS CASE:

- THE CONSTITUTION GUARANTEES THAT NO PERSON CAN BE DEPRIVED OF PROPERTY WITHOUT DUE PROCESS OF LAW.
- THE DEMOLITION, AND/OR TAKING OF PSBA'S PROPERTY HAS VIOLATED PSBA'S CONSTITUTIONAL RIGHT TO DUE PROCESS.
- PSBA, NOT TO MENTION, ITS STUDENT POPULATION, WILL SUFFER GRAVE AND IRREPARABLE INJURY IF THE TAKING OF ITS PROPERTY IS NOT ENJOINED.

II

THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT AFFIRMED IN TOTO THE DECISION OF THE COURT A QUO DENYING THE ISSUANCE OF A TEMPORARY RESTRAINING ORDER AND THE WRIT OF PRELIMINARY INJUNCTION, ON THE BASIS OF PRESIDENTIAL DECREE NO. 1818 ("P.D. 1818). P.D. 1818 IS NOT APPLICABLE, CONSIDERING THAT:

- WHAT PSBA SOUGHT TO ENJOIN IS NOT A GOVERNMENT INFRASTRUCTURE PROJECT, BUT

THE DEMOLITION AND TAKING OF PSBA'S PROPERTY WITHOUT DUE PROCESS OF LAW.

- THE PROHIBITION IN P.D. 1818 APPLIED ONLY TO TRO'S AND INJUNCTIONS AGAINST ADMINISTRATIVE ACTS IN CONTROVERSIES INVOLVING FACTS OR THE EXERCISE OF DISCRETION IN TECHNICAL CASES; IT DOES NOT APPLY TO CASES, SUCH AS THIS ONE, INVOLVING QUESTIONS OF LAW.

- THE PROHIBITION IN P.D. 1818 DOES NOT APPLY IN CASES, SUCH AS THIS ONE, WHERE THERE IS CLEAR GRAVE ABUSE OF DISCRETION ON THE PART OF THE GOVERNMENT AGENCY SOUGHT TO BE ENJOINED.

III

THE SUPREME COURT ADMINISTRATIVE CIRCULARS IMPLEMENTING P.D. 1818 DO NOT PROHIBIT COURTS OF LAW FROM ISSUING TROS AND INJUNCTIONS. WHAT IS PROHIBITED IS THE INDISCRIMINATE ISSUANCE THEREOF.

IV

EVEN ASSUMING, ARGUENDO, THAT P.D. 1818 APPLIES IN THIS CASE, IT CANNOT, AND SHOULD NOT, PREVAIL AGAINST THE CONSTITUTIONAL RIGHT OF PSBA NOT TO BE DEPRIVED OF ITS PROPERTY WITHOUT DUE PROCESS OF LAW.

V

THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT FAILED TO HOLD THAT THE COURT A QUO HASTILY PRE-JUDGED PSBA'S APPLICATION FOR INJUNCTION WHEN IT RULED ON THE SAME DURING THE HEARING OF 6 SEPTEMBER 1999, WHEN WHAT WAS PENDING THEN WAS ONLY THE APPLICATION FOR TEMPORARY RESTRAINING ORDER.[7]

We deny.

As we see it, the only issue which commends itself for our resolution is whether or not petitioner has the right to provisionally enjoin the respondents from using the disputed portion of its property.

In the main, petitioner maintains that it only sold 543 square meters of land out of the 1,128 square meters subject of the deed of conditional sale. Asserting absolute ownership over the excess area, petitioner argues that respondents' taking thereof and the demolition of its improvements thereon without any negotiated settlement or expropriation proceedings therefor violated its right to due process.

The requisites for preliminary injunctive relief are: (a) the invasion of right sought to be protected is material and substantial; (b) the right of the complainant is clear and unmistakable; and (c) there is an urgent and paramount necessity for the writ to prevent serious damage.[8]

Here, petitioner failed to show a clear and unmistakable right which need the protection of an injunctive writ. Its claim of ownership of the disputed area is a poor argument to justify the issuance of the temporary restraining order or preliminary injunction prayed for.

To begin with, we cannot ignore the prima facie value of the deed of conditional sale executed by the parties on August 27, 1997, which deed expressly states that petitioner would lose title over the property therein conveyed upon DPWH's full payment of the purchase price agreed upon. We quote condition No. 6 of the same deed:

“6. That upon receipt of the full payment therefore, [PSBA] is lawfully and perpetually seized of any and all the rights and title over the described property and likewise [PSBA] hereby warrants and will defend peaceful occupation and title over said parcel of land of [DPWH] at all times from all other claimant, whatsoever”.^[9]

There is no denying the fact that DPWH had already paid the purchase price of the land subject of the deed of conditional sale. For sure, petitioner even offered to refund the excess payment of DPWH by reason of the alleged mistake of the parties as to the area conveyed in the same deed.

With petitioner’s receipt of the full payment from DPWH, the deed of conditional sale ripened into an absolute contract of sale, which necessarily enjoys the presumption of validity. And among the rights enjoyed by DPWH is *jus utendi* or the right to use the property conveyed to it. The presumption lasts until and unless the trial court shall have resolved petitioner’s complaint in its favor.

But there is more which militates against petitioner’s application for an injunctive writ. We refer to Presidential Decree No. 1818, Section 1 of which explicitly provides:

"SECTION 1. No court in the Philippines shall have jurisdiction to issue any restraining order, preliminary injunction, or preliminary mandatory injunction in any case, dispute, or controversy involving an infrastructure project, or a mining, fishery, forest or other natural resource development project of the government, or any public utility operated by the government, including among others public utilities for the transport of the goods or commodities, stevedoring and arrastre contracts, to prohibit any person or persons, entity or government official from proceeding with, or continuing the execution or implementation of any such project, or the operation of such public utility, or pursuing any lawful activity necessary for such execution, implementation or operation."

In *Garcia vs. Burgos*,^[10] this Court has made it clear that the aforequoted provision deprives courts of jurisdiction to issue injunctive writ against the implementation or execution of a government infrastructure project. Unquestionably, the construction of the Light Rail Transit Line 2 Project is an infrastructure project of the government.

Of course, petitioner argues that it is not seeking to enjoin the prosecution of the same project. As correctly held by the trial court, however, said project “cannot be accomplished without demolishing [petitioner’s] structure”.

WHEREFORE, the instant petition is hereby DENIED for lack of merit.

SO ORDERED.

Panganiban, (Chairman), Sandoval-Gutierrez, and Carpio Morales, JJ., concur.
Corona, J., on leave.

[1] Penned by Associate Justice Marina L. Buzon and concurred in by Associate Justices Josefina Guevara-Salonga and Danilo B. Pine.

[2] Annex “R”, Petition; Rollo, pp. 97-111.

[3] Annex “W”, Petition; Rollo, pp. 162-164.

[4] Annex “BB”, Petition; Rollo, pp. 219-220.

[5] Annex “A”, Petition; Rollo, pp. 50-60.

[6] Rollo, p. 62.

[7] Petition, pp. 15-16.

[8] Toyota Motor Philippines Corporation Workers' Association vs. Court of Appeals, 412 SCRA 69, 86 [2003].

[9] Rollo, p. 86.

[10] 291 SCRA 546 [1998].

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