

TOMAS T. REYES, PETITIONER, VS. COURT OF APPEALS AND SUN INSURANCE OFFICE, LTD., RESPONDENTS.

G.R. No. 87647. May 21, 1990

Ponente: REGALADO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-87647/>

REGALADO, J.:

The instant petition raises the issue as to whether or not under the doctrine of res adjudicata, a prior grant of a writ of preliminary injunction operates as a bar to another application by the same party for a second writ in another proceeding over the same subject matter.

The chronological background of this case, as alleged in private respondent's original petition for certiorari and prohibition filed in CA-G.R. SP No. 16415, and quoted by respondent court in its decision of March 6, 1989, is in substance as follows:

1. August, 1979 - Sun Insurance Office, Ltd. (Sun) designated Luis A. Reyes of LAR Insurance Agency as a General Agent.
2. October, 1979 - Luis A. Reyes appointed his son, Tomas T. Reyes, as his attorney-in-fact to manage LAR Insurance Agency.
3. March 6, 1980 - Tomas Reyes and his wife executed a deed of mortgage in favor of United Coconut Planters Bank (UCPB) covering 3 parcels of land evidenced by TCT 918, TCT (25021)-7125 and TCT 189 to guarantee a loan of P147,000.00. The mortgage was later subject to an additional credit agreement in the amount of P80,000.00.
4. LAR Agency later allegedly incurred an accountability in favor of Sun in the amount of P800,000.00.
5. Tomas T. Reyes, with the consent of Sun, assumed the P800,000.00 obligation, subject to reconciliation of records and verification of accounts.
6. June 12, 1985 - A compromise agreement was entered into by and between Tomas T. Reyes and Sun in connection with the assumption of the obligations of LAR. Payment by Tomas Reyes was to be effected with Sun retaining and withholding 50% of all commissions earned, plus P7,500.00 a month.
7. August, 1985 - Tomas T. Reyes, upon the insistence of Sun, executed a deed of second/third mortgage but only on one property covered by TCT No. 189 in favor of Sun.
8. March 31, 1986 - UCPB executed a deed of assignment of the Reyes mortgages of March 6, 1980 in favor of Sun. Later, Sun paid UCPB the amount of P67,415.43, the balance remaining of the obligation at this point in time. With the payment. Sun claims there was subrogation in that it "stepped into the shoes" of UCPB.
9. July 14, 1986 – Sun filed an application for extrajudicial foreclosure alleging default on the part of Tomas Reyes.
10. July 22, 1986 – Judge Juan Reyes, presiding judge of Branch 14, issued a restraining order enjoining

temporarily the extrajudicial foreclosure.

11. October 7, 1986 - Another application for extrajudicial foreclosure was made by Sun.

12. November 13, 1986 - The 3 properties subject of the UCPB mortgage were sold at public auction. Sun was the sole bidder.

13. November 25, 1986 - Sun filed an ex parte petition with the Mandaue court for the issuance of a writ of possession.

14. December 9, 1986 - The Mandaue court issued an order granting the petition upon filing of a bond in the amount of P33,000.00.

15. January 29, 1987 - The Mandaue court issued the writ of possession to dispossess Tomas T. Reyes of the properties in question.

16. February 12, 1987 to February 16, 1987 - This period was given by Executing Sheriff Librado M. Buendia to Tomas T. Reyes to voluntarily vacate the premises.

17. February 20, 1987 - In the early morning hours, the sheriffs with military personnel went to the premises in question and threatened to eject the Reyes family and literally to "throw them into the streets" per order of Sun. The sheriffs and company stayed at the premises the whole day.

18. February 20, 1987, 2:40 P.M. – Tomas T. Reyes filed an "Urgent Ex-Parte Motion to Withhold Implementation of Writ of Possession."

19. February 20, 1987 - The Mandaue court issued an order that for "humanitarian reasons" implementation of the writ of possession shall be extended to February 25, 1987.

20. February 23, 1987, 1:45 P.M. - Tomas T. Reyes filed a petition for "Annulment of Deed of Assignment and Extrajudicial Sale of Real Properties and Damages with Application for Writ of Preliminary Injunction."

21. February 23, 1987, 2:00 P.M. - Tomas T. Reyes filed an urgent motion for issuance of a restraining order.

22. February 24, 1987, 9:00 A.M. - The urgent motion was set and heard by the Honorable Julio Logarta:

23. February 27, 1987 - Judge Julio Logarta issued a restraining order.

24. April 29, 1987 - Judge Julio Logarta, after due and proper notice and hearing issued a writ of preliminary injunction.

25. July 13, 1987 - Sun filed a petition for writ of certiorari and mandamus with prayer for the issuance of a restraining order, praying, among others, for the annulment of the orders of February 27, 1987 and April 29, 1987 of Judge Julio Logarta.

26. September 30, 1987 - The aforesaid case was heard on oral arguments before the Intermediate Appellate Court.

27. October 6, 1987 - The Intermediate Appellate Court rendered judgment dismissing Sun's petition for certiorari and declaring that Sun, being a foreign corporation, cannot bid in the extrajudicial foreclosure sale.

28. Subsequent thereto, petitioner filed another petition for extrajudicial foreclosure before RTC, Branch 28, Mandaue City, with the Hon. Generoso Juaban as acting presiding judge.

29. December 4, 1987 - Upon application of petitioner Tomas Reyes, a temporary restraining order was issued by the Hon. Judge Generoso Juaban, enjoining the auction sale set on December 7, 1987.

30. December 18, 1987 - After due and proper notice and hearing, a writ of preliminary injunction was issued

by aforesaid judge enjoining defendants from foreclosing plaintiff's property pending litigation.

31. A motion for reconsideration was filed by petitioner which was denied by the new presiding judge, Hon. Mercedes Gozo-Dadole.

32. Petitioner thereafter filed another petition for certiorari and prohibition before the Court of Appeals.[1]

In its decision in the aforesaid second petition,[2] respondent Court of Appeals, applying the rule on res judicata, held that petitioner herein having previously sought a preliminary injunction from the trial court on the sole ground that an alien corporation could not bid for private land or purchase the same at foreclosure, he cannot now avail himself of another writ of preliminary injunction on grounds other than that expressly invoked and considered in the first application.

It further held that petitioner could have raised the issue of the validity of the deed of mortgage, deed of assignment and compromise agreement, on which he bases his second bid for injunctive relief, during the hearing held by the trial court on March 4, 1987 in connection with the application for the first writ of preliminary injunction. It pointed out that the order for the issuance of said writ thereafter issued on April 29, 1987 was in effect a judgment by consent, both parties having offered arguments in support of their respective positions and stipulated that they submit the question of propriety of the issuance of preliminary injunction only on the ground of said constitutional issue.

Judgment was consequently rendered by respondent court setting aside the orders of the court a quo dated December 18, 1987 and November 11, 1988 and restraining said lower court from conducting further proceedings in Civil Case No. MAN-287, except to dismiss the same.[3] This impelled the filing of the petition now before us.

Petitioner submits that the principle of res judicata has no room for application in the case at bar. This, so he claims, is because the second application for preliminary injunction is separate, distinct and premised on a set of facts entirely different from those involved in the first application, hence the issues raised in his second application allegedly could not have been raised in the first.

He points out that in his first application for injunction, the mortgage had not only been foreclosed, but his properties subject of the mortgage were already purchased by private respondent in the foreclosure sale. A writ of possession had already been issued to respondent, a foreign corporation. Understandably, petitioner avers, the only issue that could be raised then was respondent's capacity to own and hold real properties which would be determinative of the validity of the foreclosure sale in its favor and the propriety of the writ of possession obtained by it.

On the other hand, petitioner contends that his subsequent application for injunction, which eventuated in the petition at bar, proceeded from a different factual setting. After private respondent was declared disqualified to acquire real properties in CA-G.R. SP No. 12339, it being a foreign corporation, it filed a new petition for extrajudicial foreclosure, apparently on the theory that it can foreclose, although it cannot bid in the foreclosure sale. This then created the exigent necessity for judicial adjudication of the issues on the infirmities and legal defects of the deeds of mortgage, assignment and other documents subject of the aforementioned Civil Case No. MAN-287, and to also seek injunctive relief pending the resolution of said issues.[4]

The petition bears the imprint of merit and warrants the issuance of the corrective writ of certiorari.

A second application for injunction, which rests in the sound discretion of the court, will ordinarily be denied unless it is based on facts unknown at the time of the first application.[5] Stated otherwise, the renewal of a motion for an interlocutory injunction on grounds or on evidence which should have been presented on the first application is discouraged, unless complainant presents new and additional matter discovered since the former

hearing and shows that such new grounds or matter was not reasonably discoverable at the time of the first application.[6]

The aforesaid jurisprudential rule, which is not absolute, is not based on the principle of *res judicata*. The latter principle requires *inter alia*, a former final judgment or order which has not only become final but must have been a judgment which disposed of the case on the merits. These requisites do not obtain in a proceeding for a writ of preliminary injunction which merely constitutes an ancillary remedy and results in a provisional relief, not a final judgment or order arrived at after trial of the main case. In fact, we have held that courts should avoid issuing a writ of preliminary injunction which, in effect, would dispose of the main case without trial.[7]

Obviously, the rationale for the aforesaid jurisprudential rule in American case law, just as it is in our jurisdiction, is the same as the interdiction in procedural laws on splitting a single cause of action, while providing for permissive joinder of causes of action, both intended to avoid multiplicity of suits and vexation or harassment to a party.

But, just like said adjective laws, the aforesaid decisional rule also has its ramifications. Although a second application for injunction ought to be denied if it is based on facts actually known at the time of the first application, this rule applies only where the second application is to operate on the same act sought to be enjoined in the first application, and cannot be invoked where relief is asked against a different act.[8]

In the case at bar, although the grounds relied upon by petitioner in his second application for injunction existed even during his first application, this would not argue against the present injunctive relief in question as the two writs are directed against distinct acts. The first injunction was against the implementation of the writ of possession consequent to the invalidity of the sale of the foreclosed property to a disqualified foreign corporation: the second is against the new foreclosure proceeding subsequently instituted by private respondent after respondent court held that it was prohibited by law from bidding or in any manner taking part in the prior foreclosure sale.

Indeed, as earlier noted, petitioner correctly argued that the alleged nullity of the deed of mortgage, deed of assignment and compromise agreement raised in issue in Civil Case No. MAN-287 could not have been ventilated in the controversy over the issuance of the writ of possession which was merely part of the executory process consequent to a concluded extrajudicial foreclosure proceeding and consummated foreclosure sale. In the said incident, therefore, what petitioner sought to enjoin was not the consummated foreclosure and sale but the implementation of the writ of possession issued in connection therewith. The issue was, therefore, properly confined to private respondent's capacity to own and hold real properties, which was being challenged and sought to be enjoined, while the issues on the nullity of the documents hereinbefore mentioned had perforce to be taken up in the proper proceeding specifically instituted for that purpose, that is, Civil Case No. MAN-287 of the Regional Trial Court, Branch 28, Mandaue City.

Notably, the alleged legal infirmities and defects of the deed of mortgage, deed of assignment and compromise agreement are sufficiently averred in petitioner's amended complaint filed in the aforesaid case with the court *a quo*. [9] We also take note of the hearing conducted by respondent court in CA-G.R. SP No. 12339, the petition initiated therein by private respondent against the first writ of preliminary injunction, which discloses that petitioner never abandoned nor did he have the intention to abandon his theory of the alleged nullity of the aforementioned documents, to wit:

"JUSTICE MENDOZA:

Is that the only ground why you are questioning the extrajudicial sale, the fact that the petitioner cannot own properties in the Philippines, or are there other grounds in the lower court?

"ATTY. DIORES:

There are other grounds, Your Honor, that we have stated which are now the subject of the case in the Regional Trial Court." [10]

In the last analysis, it was private respondent's misapprehension of the scope and the legal consequences of respondent court's decision in CA-G.R. SP No. 12339, prohibiting and nullifying its participation in the foreclosure sale, which spelled complications for it in the present case. Respondent court's aforesaid decision, in effect, only annulled the writ of possession and the auction sale where private respondent was the sole bidder. However, since private respondent opted to file a new petition for extrajudicial foreclosure and since the bases for said second petition for foreclosure have been challenged and put in issue in Civil Case No. MAN-287 of the Regional Trial Court, Branch 28, Mandaue City, filed by petitioner prior thereto, or on February 23, 1987, the right of private respondent to foreclose has been thrown open for determination on the merits, and injunctive relief lies pending such final adjudication.

ACCORDINGLY, the instant petition is hereby GRANTED and the decision of respondent Court of Appeals, dated March 6, 1989 is hereby REVERSED and SET ASIDE. The presiding judge of the Regional Trial Court, Branch 28, Mandaue City, or to whomsoever Civil Case No. MAN-287 is assigned, is directed to hear and decide the same with deliberate dispatch. The temporary restraining order issued in this case on April 13, 1989 is hereby made permanent.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Sarmiento, JJ., concur.

[1] Rollo, 25-29.

[2] CA-G.R. SP No. 16415: penned by Justice Conrado T. Limcaoco, with Justices Cecilio L. Pe and Cezar D. Francisco concurring.

[3] Rollo, 31.

[4] Ibid., 14-15.

[5] 28 Am. Jur. 484, citing Tolbert vs. Long, 134 Ga. 292, 67 SE 826, 137 Am. St. Rep. 222.

[6] 43 C.J.S. 923-924, citing Tallevast vs. Kaminski, 146 SC 225, 143 SE 796.

[7] Valley Trading Co., Inc. vs. Court of First Instance of Isabela, etc., et al., G.R. No. L-49529, March 31, 1989.

[8] 28 Am. Jur. 485.

[9] Rollo. 41-52.

[10] Ibid., 17, citing TSN-Salceda, Sept. 30, 1987, 35-36.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.