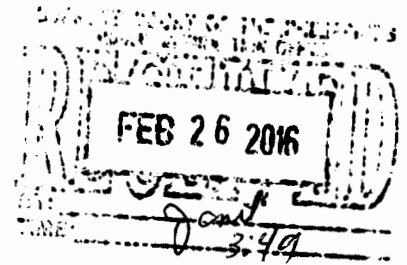




Republic of the Philippines
Supreme Court
 Manila



FIRST DIVISION

**SPOUSES CEFERINO C. LAUS
 and MONINA P. LAUS, and
 SPOUSES ANTONIO O. KOH
 and ELISA T. KOH,**

G.R. No. 208343

Petitioners,

Present:

- versus -

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 BERSAMIN,
 PERLAS-BERNABE, and
 JARDELEZA, JJ.

**OPTIMUM SECURITY
 SERVICES, INC.,**

Respondent.

Promulgated:

FEB 03 2016

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DECISION

PERLAS-BERNABE, J.:

Before the Court is a petition for review on *certiorari*¹ assailing the Decision² dated March 25, 2013 and the Resolution³ dated July 22, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 122258, which lifted the writ of preliminary injunction (WPI) issued by the Regional Trial Court of Angeles City, Branch 62 (RTC) in Civil Case No. 12307 in favor of petitioners Spouses Ceferino C. Laus and Monina P. Laus, and Spouses Antonio O. Koh and Elisa T. Koh (petitioners), and dismissed their complaint for damages against respondent Optimum Security Services, Inc. (respondent).

The Facts

On October 3, 2005, petitioners filed a complaint,⁴ denominated as one for “Damages with Application for a Temporary Restraining Order [(TRO)] and [WPI],” docketed as Civil Case No. 12307, against respondent,

¹ *Rollo*, pp. 10-42.

² *Id.* at 44-55. Penned by Associate Justice Remedios A. Salazar-Fernando with Associate Justices Normandie B. Pizarro and Manuel M. Barrios concurring.

³ *Id.* at 56-57.

⁴ *CA rollo*, pp. 48-60.

several security guards employed by it, including Ronnie Marivalles (Marivalles) and Rodrigo Olivette, and TIPCO Estate Corporation (TIPCO; collectively, other defendants). Petitioners alleged that on three (3) separate occasions in August 2005, they were prevented by armed security guards working for respondent and TIPCO from entering the eight (8) parcels of land in Mabalacat, Pampanga belonging to them, covered by Transfer Certificates of Title (TCT) Nos. 576602-R,⁵ 578037-R,⁶ 578038-R,⁷ 578039-R,⁸ 575138-R,⁹ 575112-R,¹⁰ 576601-R,¹¹ and 576603-R¹² (subject properties).¹³ Thus, petitioners prayed that: (a) moral, exemplary, and liquidated damages be awarded to them; (b) a TRO and WPI be issued directing the respondent and the other defendants to refrain from interfering with the exercise of their rights as owners of the subject properties; and (c) after trial, the injunction be made permanent.¹⁴

Opposing petitioners' application for TRO and WPI, respondent and Marivalles countered¹⁵ that petitioners are not entitled to the TRO and WPI prayed for because they do not own the subject properties. They maintained that Margarita dela Rosa, Manuel dela Peña, Michael Pineda, Fermin Dizon, William Lee, and Odon Sibug are the real owners thereof, who authorized¹⁶ Mr. Ranilo M. Arceo (Mr. Arceo) to enter into the Security Service Contract¹⁷ with respondent to secure the subject properties.¹⁸ Respondent and Marivalles further insisted that they acted in good faith in denying petitioners and their agents access to the subject properties as they were merely complying with a contractual obligation.¹⁹ Moreover, they claimed that the signatures appearing on the Deeds of Sale, which were the source of petitioners' titles, were forged and, in fact, a petition for cancellation of petitioners' titles was filed by Jose Bermudo, one of the original holders of the emancipation patent over three (3) parcels of land in the subject properties, which was still pending before another court.²⁰

Respondent and Marivalles subsequently filed their Answer²¹ where they added that petitioners did not suffer any injury as no wrongful act was committed against them.²² Accordingly, they prayed that the complaint be

⁵ *Rollo*, p. 100, including dorsal portion.

⁶ *Id.* at 101, including dorsal portion.

⁷ *Id.* at 103, including dorsal portion.

⁸ *Id.* at 102, including dorsal portion.

⁹ *Id.* at 104, including dorsal portion.

¹⁰ *Id.* at 105, including dorsal portion.

¹¹ *Id.* at 106, including dorsal portion.

¹² *Id.* at 107, including dorsal portion.

¹³ See *CA rollo*, pp. 50-54.

¹⁴ *Id.* at 56-57.

¹⁵ See Opposition to the Application for a [TRO and WPI] dated November 21, 2015; *id.* at 66-77.

¹⁶ By virtue of Special Power of Attorney. See *id.* at 100-101.

¹⁷ *Rollo*, pp. 120-123.

¹⁸ *CA rollo*, pp. 69 and 82.

¹⁹ *Id.* at 69-70 and 82-83.

²⁰ *Id.* at 69 and 82.

²¹ Dated December 12, 2005. *Id.* at 78-94.

²² *Id.* at 88.

dismissed for lack of merit, and that damages and attorney's fees be awarded to them.²³

On the other hand, TIPCO denied preventing petitioners from entering the subject properties. It pointed out that it did not claim ownership or possession thereof, and, as such, did not hire the armed security guards who prevented petitioners from entering the subject properties.²⁴

The RTC Ruling

In an Order²⁵ dated October 6, 2010, the RTC granted the application for WPI based on its finding that petitioners had presented sufficient evidence to establish that they are the registered owners of the subject properties and thereby, have the right to possess the same. It found no merit in respondent's defense that petitioners were not the real owners of the said properties, observing that the former failed to present the alleged real owners of the subject properties to support its claim. Accordingly, it enjoined respondent and the other defendants from interfering with petitioners' exercise of acts of ownership over the same.²⁶

Dissatisfied, respondent and TIPCO separately moved for reconsideration,²⁷ but were denied in an Order²⁸ dated August 31, 2011. Consequently, respondent elevated the case to the CA *via* a petition for *certiorari* and prohibition, docketed as CA-G.R. SP No. 122258.²⁹

The CA Ruling

In a Decision³⁰ dated March 25, 2013, the CA reversed the RTC ruling and thereby, lifted the WPI and ordered the dismissal of petitioners' complaint.

In so ruling, the CA observed, *inter alia*, that the WPI was intended to oust respondent and the other defendants from the subject properties, which, under prevailing jurisprudence, is not allowed where the claimant's title has not been clearly established by law, as in this case where petitioners' titles are under contest and they have failed to establish their prior possession of the subject properties.³¹ To this, it emphasized that the purpose of a WPI is to preserve the *status quo ante* or the last actual, peaceful, and uncontested

²³ Id. at 93.

²⁴ *Rollo*, p. 225.

²⁵ Id. at 224-227. Penned by Judge Gerard Antonio P. Santos.

²⁶ Id. at 226.

²⁷ Not attached to the records of this case.

²⁸ *Rollo*, p. 228.

²⁹ Dated November 28, 2011. *CA rollo*, pp. 3-36.

³⁰ *Rollo*, pp. 44-55.

³¹ Id. at 49-50.

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status prior to the controversy; but in this case, the injunctive writ created another situation by transferring the possession of the subject properties to the petitioners.³²

Further, the CA held that respondent was not a real party in interest as it was merely contracted to secure the subject properties under the Security Service Contract, which had since lapsed without being renewed.³³ In this relation, it opined that the alleged real owners of the subject properties are the real parties in interest, without whom there can be no final determination of the issues involved.³⁴ Thus, the CA ordered the dismissal of petitioners' complaint.

Aggrieved, petitioners filed a motion for reconsideration,³⁵ which was, however, denied in a Resolution³⁶ dated July 22, 2013; hence, the present petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA erred in lifting the WPI issued by the RTC and in dismissing petitioners' complaint.

The Court's Ruling

The petition is partly meritorious.

I.

To be entitled to an injunctive writ, the right to be protected and the violation against that right must be shown. A writ of preliminary injunction may be issued **only upon clear showing of an actual existing right to be protected during the pendency of the principal action**. When the complainant's right or title is doubtful or disputed, he does not have a clear legal right and, therefore, the issuance of injunctive relief is not proper.³⁷ Corollarily, **preliminary injunction is not a proper remedy to take property out of the possession and control of one party and to deliver the same to the other party where such right is being disputed**.³⁸ After all, a writ of preliminary injunction is issued to **preserve the status quo or**

³² Id. at 52.

³³ Id. at 53.

³⁴ Id.

³⁵ CA rollo, pp. 335-355.

³⁶ Rollo, pp. 56-57.

³⁷ *Sps. Plaza v. Lustiva*, G.R. No. 172909, March 5, 2014, 718 SCRA 19, 31.

³⁸ See *Almeida v. CA*, 489 Phil. 648, 672 (2005); *Raspado v. CA*, G.R. No. 104782, March 30, 1993, 220 SCRA 650, 653; and *Merville Park Homeowners Association, Inc. v. Velez*, 273 Phil. 406, 412 (1991).

the last actual, peaceable, and uncontested situation which precedes a controversy.³⁹

While it is a general rule that a trial court's discretion in issuing injunctive writs should not be interfered with,⁴⁰ the Court finds the CA's lifting of the WPI issued by the RTC in this case to be proper, considering that the foregoing parameters were not observed, thus, tainting the trial court's issuance with grave abuse of discretion amounting to lack or excess of jurisdiction.

As aptly pointed out by the CA, although petitioners appear to be the registered owners of the subject properties, they nonetheless failed to establish that they were in actual physical possession of the same at the time the incidents in August 2005 transpired. In fact, a cursory perusal of the complaint readily shows that petitioners never alleged that they were in prior possession of the subject properties. All that was stated therein is that respondent and the other defendants "[refuse] to recognize and respect [their] ownership and peaceful possession" of the subject properties.⁴¹ Meanwhile, respondent alleged in its Opposition and Answer that petitioners were not in possession of the subject properties, and that the real owners thereof have been in possession of the subject properties since 1996 and 1997.⁴² The dispute concerning the ownership of the subject properties was detailed by the CA as follows:

As alleged by [respondent], these subject parcels of land were from four (4) original emancipation patent holders, namely: Marciano Lansangan, Vivencio Mercado, Crisencio Pineda[,] and Jose Bermudo. Said persons sold the same in 1996 and 1997 to certain individuals, namely: Margarita dela Rosa, Manuel dela Peña, Michael Pineda, Fermin Dizon, William Lee[,] and Odon Sibug, whom [respondent] pointed to as its principals. These aforementioned buyers were among those who authorized [Mr. Arceo] as their Attorney-in-[F]act to enter into a Security Service Contract with [respondent]. True to their claim of ownership over [the subject properties], Alexander Bermudo, one of the alleged patent holders, filed a Petition for Annulment of Title with Damages against [petitioners]. Likewise, Margarita dela Rosa[,] one of [respondent's] alleged principals, also filed a case against [petitioners] involving Lot 61 which is also claimed by them, and which case is still pending before the same lower court.⁴³

To reiterate, preliminary injunction is not a proper remedy to take property out of the possession and control of one party and to deliver the same to the other party where such right is being disputed, as in this case. As earlier intimated, preliminary injunction is a preservative remedy. Therefore,

³⁹ *Cortez-Estrada v. Heirs of Samut*, 491 Phil. 458, 472 (2005).

⁴⁰ See *Nerwin Industries Corporation v. PNOG-Energy Development Corporation*, 685 Phil. 412, 427 (2012); and *Land Bank of the Phils. v. Continental Watchman Agency, Inc.*, 465 Phil. 607, 618 (2004).

⁴¹ *Rollo*, p. 94.

⁴² *CA rollo*, pp. 70 and 83.

⁴³ *Rollo*, p. 50.

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it should not create new relations between the parties, but must only maintain the *status quo* until the merits of the case is fully heard.⁴⁴ Hence, for these reasons, the RTC gravely abused its discretion in issuing the WPI involved herein.

Besides, as the CA further observed, the WPI issued by the RTC no longer serves any purpose, considering that respondent already vacated the subject properties since the Security Service Contract with Mr. Arceo had already expired.⁴⁵ Time and again, the Court has repeatedly held that when the act sought to be enjoined has become *fait accompli*, the prayer for preliminary injunction should be denied.⁴⁶ Indeed, when the events sought to be prevented by injunction or prohibition had already happened, nothing more could be enjoined or prohibited.⁴⁷ An injunction will not issue to restrain the performance of an act already done.⁴⁸

II.

While the CA was correct in lifting the WPI, it, however, erred in ordering the dismissal of the complaint. The error springs from the CA's misconception that the alleged real owners of the subject properties, while real parties in interest, are indispensable parties to the case. The distinction between the two and the operational parameters as to each are well-settled in jurisprudence.

As held in *Carandang v. Heirs of de Guzman*,⁴⁹ the Court clarified that:

A real party in interest is the party who stands to be benefited or injured by the judgment of the suit, or the party entitled to the avails of the suit. On the other hand, **an indispensable party is a party in interest without whom no final determination can be had of an action,** in contrast to a necessary party, which is one who is not indispensable but who ought to be joined as a party if complete relief is to be accorded as to those already parties, or for a complete determination or settlement of the claim subject of the action.

x x x **"[I]f a suit is not brought in the name of or against the real party in interest, a motion to dismiss may be filed on the ground that the complaint states no cause of action."** However, [the dismissal on this ground entails] an examination of whether the parties presently pleaded are interested in the outcome of the litigation, and not whether all persons interested in such outcome are actually pleaded. The latter query is relevant in discussions concerning indispensable and necessary parties,

⁴⁴ See *Los Baños Rural Bank, Inc. v. Africa*, 433 Phil. 930, 945 (2002).

⁴⁵ See *rollo*, p. 53. See also *CA rollo*, pp. 26-27.

⁴⁶ See *Caneland Sugar Corporation v. Alon*, 559 Phil. 462, 471 (2007), citing *Philippine National Bank v. CA*, 353 Phil. 473, 479 (1998).

⁴⁷ *Go v. Looyuko*, 563 Phil. 36, 68 (2007).

⁴⁸ *Id.*

⁴⁹ 538 Phil. 319 (2006).

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but not in discussions concerning real parties in interest. Both indispensable and necessary parties are considered as real parties in interest, since both classes of parties stand to be benefited or injured by the judgment of the suit.⁵⁰ (Emphases and underscoring supplied)

Meanwhile, in *Plasabas v. CA*,⁵¹ it was held that “**the non-joinder of indispensable parties is not a ground for the dismissal of an action.** The remedy is to implead the non-party claimed to be indispensable. Parties may be added by order of the court on motion of the party or on its own initiative at any stage of the action and/or at such times as are just. **If petitioner refuses to implead an indispensable party despite the order of the court, the latter may dismiss the complaint/petition for the plaintiff’s/petitioner’s failure to comply therewith.**”⁵²

In this case, while the alleged real owners of the subject properties may be considered as real parties in interest for the reason that their supposed rights over these properties stand to be prejudiced, they are not indispensable parties to the instant suit. Despite its denomination as an action for “damages” in the complaint’s caption,⁵³ the action, as may be gleaned from the pleading’s allegations,⁵⁴ is really one for injunction as it ultimately seeks to permanently enjoin respondent and the other defendants, from restricting petitioners’ access to the subject properties.⁵⁵ The crux of the main case, therefore, is whether or not respondent and said defendants were justified in preventing petitioners from conducting the relocation survey on the subject properties. Damages are also sought as ancillary relief for the acts complained of. These issues can be resolved independent of the participation of the alleged real owners of the subject properties. Hence, they are not indispensable parties, without whom no final determination can be had.

In any event, even on the assumption that they are indispensable parties, the non-joinder of indispensable parties is, as above-discussed, still not a ground for the dismissal of the suit. The proper course of action is for the court to order that they be impleaded. Only upon refusal of or non-compliance with such directive, may the complaint be dismissed.

In view of the nature of the case as above-explained, respondent and the other defendants are real parties in interest. Clearly, they stand to be directly injured by an adverse judgment. They are the parties against whom the prayed for injunction is directed and are also alleged to be liable for the resultant damage.

⁵⁰ Id. at 333-334.

⁵¹ 601 Phil. 669 (2009).

⁵² Id. at 675-676; emphases and underscoring supplied.

⁵³ See *rollo*, p. 88.

⁵⁴ “[T]he cause of action in a Complaint is not determined by the designation given to it by the parties. The allegations in the body of the Complaint define or describe it. The designation or caption is not controlling more than the allegations in the Complaint. It is not even an indispensable part of the Complaint.” *Aguilar v. O’Pallick*, G.R. No. 182280, July 29, 2013, 702 SCRA 455, 465.

⁵⁵ *Philippine Economic Zone Authority v. Carantes*, 635 Phil. 541, 548 (2010).

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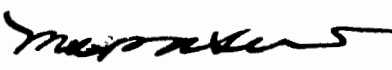
In fine, the petition is partially granted. While the CA's lifting of the WPI is affirmed, its order dismissing the complaint is reversed. As a consequence, the complaint should be reinstated and the main case should be remanded to the RTC for further proceedings. With this pronouncement, there is no need to delve on the ancillary issues raised herein.

WHEREFORE, the petition is **PARTIALLY GRANTED**. The Decision dated March 25, 2013 and the Resolution dated July 22, 2013 of the Court of Appeals in CA-G.R. SP No. 122258 are hereby **AFFIRMED** with **MODIFICATION** in that the complaint is **REINSTATED**. The main case is **REMANDED** to the Regional Trial Court of Angeles City, Branch 62 for further proceedings.

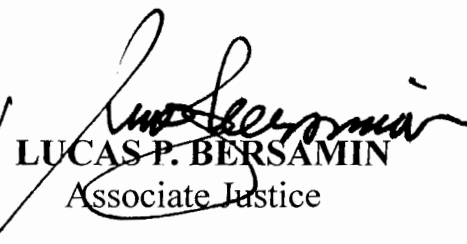
SO ORDERED.



ESTELA M. PERLAS-BERNABE
 Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
 Chief Justice



TERESITA J. LEONARDO-DE CASTRO
 Associate Justice


LUCAS P. BERSAMIN
 Associate Justice


FRANCIS H. JARDELEZA
 Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
 Chief Justice