



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

SUMIFRU (PHILIPPINES)
CORPORATION,

Petitioner,

- versus -

G.R. No. 218236

Present:

CARPIO, J., Chairperson,
PERALTA,
PERLAS-BERNABE,
CAGUIOA, and
REYES, JR., JJ.

SPOUSES DANILO CERENO
and CERINA CERENO,

Respondents.

Promulgated:

07 FEB 2018

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RESOLUTION

CARPIO, J.:

The Case

This petition for review¹ assails the Decision dated 20 May 2014² and the Resolution dated 5 May 2015³ of the Court of Appeals (CA) in CA-G.R. SP No. 04008-MIN, which affirmed the Orders dated 5 October 2010⁴ and 11 November 2010⁵ of the Regional Trial Court of Davao City, Branch 15 (RTC), denying the application for the issuance of a writ of preliminary prohibitory and mandatory injunction filed by petitioner Sumifru (Philippines) Corporation (Sumifru).

¹ Under Rule 45 of the Rules of Court. *Rollo*, pp. 17-39.

² Id. at 40-49. Penned by Associate Justice Edward B. Contreras, with Associate Justices Romulo V. Borja and Edgardo T. Lloren concurring.

³ Id. at 63-64.

⁴ Id. at 95-96. Penned by Judge Ridgway M. Tanjili.

⁵ Id. at 97-98.

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The Facts

The facts, as culled from the records, are as follows:

Sumifru is a domestic corporation engaged in the production and export of Cavendish bananas and has its principal office at Km. 20, Tibungco, Davao City. It is the surviving corporation in a merger, made effective in June 2008, among several corporations, including the Davao Fruits Corporation (DFC).

DFC then, now Sumifru, entered into several growership agreements with respondents spouses Danilo and Cerina Cereño (spouses Cereño) covering the latter's titled lands with a total land area of 56,901 square meters (sq. m.) located in Tamayong, Calinan District, Davao City, to wit:

Contract	Term	Land area covered
1. Production and Purchase Agreement dated 29 November 1999 (PPA) ⁶	22 July 1999 to 21 July 2009	9,176 sq. m.
2. Growers Exclusive Production and Sales Agreement (GEPASA) dated 10 January 2002 ⁷	15 August 2000 to 14 August 2015	13,925 sq. m.
3. GEPASA dated 7 January 2002 ⁸	15 November 2000 to 14 November 2015	13,800 sq. m.
4. GEPASA dated 9 December 2002 ⁹	23 December 2000 to 22 December 2015	20,000 sq. m.

Under the parties' PPA and GEPASAs, the spouses Cereño, as growers, undertook, among others, to sell and deliver exclusively to Sumifru the bananas produced from the contracted areas, which conform to the volume and quality specifications defined by their agreements.

⁶ Id. at 116-125.

⁷ Id. at 128-139.

⁸ Id. at 142-153.

⁹ Id. at 157-167.



On 4 August 2010, Sumifru filed a Complaint for Injunction and Specific Performance with Application for Writ of Preliminary Injunction and Temporary Restraining Order¹⁰ against the spouses Cereño before the RTC. The complaint alleged that sometime in February 2007, the spouses Cereño flagrantly violated their PPA and GEPASAs, when they harvested the bananas without the consent of Sumifru, packed them in boxes not provided by Sumifru, and sold them to buyers other than Sumifru. Sumifru made several demands upon the spouses Cereño to comply with their contractual obligations, but they refused to heed the demands.

Hence, in seeking the issuance of a Writ of Preliminary Prohibitory/Mandatory Injunction and praying for a Temporary Restraining Order, Sumifru pleaded that the spouses Cereño be restrained from committing any or all of the following acts: (a) harvesting the bananas grown on the contracted growership areas without the consent of Sumifru, (b) packing the bananas in boxes other than those provided by Sumifru, (c) selling the produce to persons or entities other than Sumifru, and (d) committing any other act in violation of their PPA and GEPASAs. Sumifru likewise prayed that the spouses Cereño be compelled to faithfully comply with their obligations under the PPA and GEPASAs.

During the 24 August 2010 hearing for the preliminary injunction, the parties agreed and were ordered to file their respective position papers. Consequently, both parties filed their position papers. Meanwhile, on 29 September 2010, the spouses Cereño filed their Answer to the Complaint. In their Answer, they claimed that their contractual obligations under the PPA and GEPASAs were no longer in force for they already terminated the agreements due to Sumifru's gross violations and serious breach thereof.

The Ruling of the RTC

In an Order dated 5 October 2010, the RTC denied Sumifru's application for issuance of a writ of preliminary prohibitory and mandatory injunction for lack of merit. The RTC found that there was no urgency to issue the injunctive reliefs prayed for in order to prevent injury or irreparable damage to Sumifru while the main case was being heard. The RTC held that in seeking the issuance of the injunctive writ, Sumifru was practically praying for a favorable ruling in the main case, which in effect would dispose of the merits of the main case and leave only the matter of damages to be determined by the trial court.¹¹

Sumifru's motion for reconsideration was denied by the RTC in an Order dated 11 November 2010.¹²

¹⁰ Id. at 106-113.

¹¹ Id. at 95.

¹² Id. at 97.

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Hence, Sumifru filed a petition for certiorari¹³ with the CA.

The Decision of the CA

In a Decision dated 20 May 2014, the CA denied the petition of Sumifru.¹⁴ The CA held that the RTC did not abuse its discretion in not issuing the writ of preliminary injunction since Sumifru did not satisfy all of the legal requisites for its issuance. The CA found that Sumifru's rights under the agreements are disputed, and the injury, which Sumifru claims it may suffer, is capable of mathematical computation and can be compensated by damages. Moreover, the CA upheld the RTC in finding that the issuance of the injunctive writ would have the effect of disposing of the main case. The CA concluded that it will not interfere with the RTC's exercise of judicial discretion in injunctive matters, absent any showing of grave abuse of discretion.

In a Resolution dated 5 May 2015, the CA denied the motion for reconsideration filed by Sumifru.¹⁵

Hence, this petition.

The Issues

Sumifru raises the following issues for resolution:

I. WITH ALL DUE RESPECT, THE HONORABLE COURT ERRONEOUSLY HELD THAT PETITIONER'S RIGHT TO THE ISSUANCE OF A WRIT OF PRELIMINARY INJUNCTION WAS PUT IN SERIOUS DOUBT BY RESPONDENTS' CLAIM THAT THEY HAVE ALREADY TERMINATED EXTRA-JUDICIALLY THE GROWERSHIP CONTRACT DESPITE THE NON-EXISTENCE OF ANY LEGAL BASIS THEREFOR;

II. WITH ALL DUE RESPECT, THE HONORABLE COURT GRAVELY ERRED WHEN IT HELD THAT THE GRANT OF APPLICATION FOR A WRIT OF PRELIMINARY INJUNCTION WOULD HAVE THE EFFECT OF DISPOSING OF THE MAIN CASE, GIVEN THAT THE OBJECT THEREOF IS MERELY TO PRESERVE THE STATUS QUO ANTE[;]

III. THE CONTINUING VIOLATION [BY] RESPONDENTS OF THEIR EXCLUSIVE CONTRACT WITH PETITIONER WILL CAUSE GRAVE AND IRREPARABLE DAMAGE TO PETITIONER[;]

¹³ Id. at 75-92. Under Rule 65 of the Rules of Court.

¹⁴ Id. at 48. The dispositive portion of the Decision reads: "WHEREFORE, premises considered, the instant petition is hereby DENIED. SO ORDERED."

¹⁵ Id. at 64.



IV. THE GRAVE AND IRREPARABLE DAMAGE CAUSED BY RESPONDENT[S] CANNOT BE COMPENSATED UNDER ANY STANDARD COMPENSATION[.]¹⁶

The Ruling of the Court

The petition has no merit.

Section 1, Rule 58 of the Rules of Court defines a preliminary injunction as an order granted at any stage of an action prior to the judgment or final order requiring a party, court, agency, or person to refrain from a particular act or acts. It may also require the performance of a particular act or acts, in which case it shall be known as a preliminary mandatory injunction. Section 3 of the same Rule provides the grounds for the issuance of a preliminary injunction:

SEC. 3. *Grounds for issuance of preliminary injunction.* — A preliminary injunction may be granted when it is established:

- (a) That the applicant is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission or continuance of the act or acts complained of, or in requiring the performance of an act or acts, either for a limited period or perpetually;
- (b) That the commission, continuance or non-performance of the act or acts complained of during the litigation would probably work injustice to the applicant; or
- (c) That a party, court, agency or a person is doing, threatening, or is attempting to do, or is procuring or suffering to be done, some act or acts probably in violation of the rights of the applicant respecting the subject of the action or proceeding, and tending to render the judgment ineffectual.

Thus, the following requisites must be proved before a writ of preliminary injunction, whether mandatory or prohibitory, will be issued: (1) the applicant must have a clear and unmistakable right to be protected, that is a right *in esse*; (2) there is a material and substantial invasion of such right; (3) there is an urgent need for the writ to prevent irreparable injury to the applicant; and (4) no other ordinary, speedy, and adequate remedy exists to prevent the infliction of irreparable injury.¹⁷

A writ of preliminary injunction, being an extraordinary event, one deemed as a strong arm of equity or a transcendent remedy, must be granted only in the face of injury to actual and existing substantial rights.¹⁸ A right to

¹⁶ Id. at 24-25.

¹⁷ *Liberty Broadcasting Network, Inc. v. Atlocom Wireless System, Inc.*, 762 Phil. 210, 218 (2015); *Thunder Security and Investigation Agency v. National Food Authority*, 670 Phil. 351, 361 (2011).

¹⁸ *Liberty Broadcasting Network, Inc. v. Atlocom Wireless System, Inc.*, 762 Phil. 210, 226 (2015); *Overseas Workers Welfare Administration v. Atty. Chavez*, 551 Phil. 890, 915 (2007), citing *Tayag v. Lacson*, 470 Phil. 64, 90 (2004).



be protected by injunction means a right clearly founded on or granted by law or is enforceable as a matter of law.¹⁹ An injunction is not a remedy to protect or enforce contingent, abstract, or future rights; it will not issue to protect a right not *in esse*, and which may never arise, or to restrain an act which does not give rise to a cause of action.²⁰ When the complainant's right is doubtful or disputed, he does not have a clear legal right and, therefore, injunction is not proper.²¹ While it is not required that the right claimed by the applicant, as basis for seeking injunctive relief, be conclusively established, it is still necessary to show, at least tentatively, that the right exists and is not vitiated by any substantial challenge or contradiction.²²

The CA did not err when it ruled that Sumifru failed to establish a clear and unmistakable right as to necessitate the issuance of a writ of preliminary injunction. As aptly found by the CA, the spouses Cereño consistently disputed Sumifru's rights under the agreements by claiming that the agreements were already terminated. In *Australian Professional Realty, Inc. v. Municipality of Padre Garcia, Batangas Province*,²³ we held that there can be no clear and unmistakable right to warrant the issuance of a writ of injunction in favor of petitioners since their alleged rights under the MOA are disputed by respondent.

The CA likewise did not err when it found that there is no irreparable injury to be suffered by Sumifru. Injury is irreparable where there is no standard by which its amount can be measured with reasonable accuracy.²⁴ In its Complaint, Sumifru alleged that it has "released to [spouses Cereño] cash advances and farm inputs in the amount of Seven Hundred Twenty Thousand One Hundred Eighty Nine and 81/100 Pesos (Php 720,189.81)."²⁵ Clearly, the injury alleged by Sumifru is capable of pecuniary estimation, and any loss it may suffer, if proven, is fully compensable by damages. As to Sumifru's allegations of potential suits and damage to reputation, these are speculative at best, with no proof adduced to substantiate them.

Finally, a preliminary injunction is merely a provisional remedy, an adjunct to the main case subject to the latter's outcome, the sole objective of which is to preserve the status quo until the trial court hears fully the merits of the case.²⁶ The status quo usually preserved by a preliminary injunction is the last actual, peaceable, and uncontested status which preceded the actual

¹⁹ *Nerwin Industries Corporation v. PNOC-Energy Development Corporation*, 685 Phil. 412 (2012), citing *City Government of Butuan v. Consolidated Broadcasting System (CBS), Inc.*, 651 Phil. 37 (2010).

²⁰ *Thunder Security and Investigation Agency v. National Food Authority*, 670 Phil. 351, 361 (2011), citing *Go v. Villanueva, Jr.*, 600 Phil. 172, 180 (2009).

²¹ *Spouses Ngo v. Allied Banking Corporation*, 646 Phil. 681 (2010), citing *China Banking Corporation v. Co.*, 587 Phil. 380 (2008).

²² *Id.*, citing *Mizona v. Court of Appeals*, 400 Phil. 587 (2000); *Developers Group of Companies, Inc. v. Court of Appeals*, 292 Phil. 723, 729 (1993).

²³ 684 Phil. 283 (2012).

²⁴ *Id.* at 294, citing *Social Security Commission v. Bayona*, 115 Phil. 105 (1962).

²⁵ *Rollo*, p. 111.

controversy, or that existing at the time of the filing of the case.²⁷ In this case, the status quo can no longer be enforced.

In its petition before us, Sumifru insists that its “claim that the GEPASA is still binding and effective on the parties rests on the provisions of the very contract that the parties entered into.”²⁸ The GEPASAs specifically provide that “[t]his agreement shall remain in full force and effect for a term of Fifteen (15) years covering the period of x x x 2000 to x x x 2015 x x x.”²⁹ In Sumifru’s Motion for Reconsideration filed on 19 October 2010 before the RTC, it alleged that “the GEPASAs will expire in 2015 or in five (5) years’ time.”³⁰ An admission made in the pleadings cannot be controverted by the party making such admission and is conclusive as to such party, and all proofs to the contrary or inconsistent therewith should be ignored, whether objection is interposed by the party or not.³¹

Considering that Sumifru admitted that the GEPASAs on which it anchors its right expired in 2015, there is even more reason not to issue the writ prayed for. In *Thunder Security and Investigation Agency v. National Food Authority*,³² we held that petitioner cannot lay claim to an actual, clear, and positive right as to entitle it to the issuance of a writ of preliminary injunction based on an expired service contract. No court can compel a party to agree to a continuation of an admittedly expired contract through the instrumentality of a writ of preliminary injunction since a contract can be renewed, revived, or extended only by mutual consent of the parties.³³ This Resolution, however, is without prejudice to Sumifru’s action for breach of contract and damages, which can only be determined after trial on the merits.

²⁶ *Overseas Workers Welfare Administration v. Atty. Chavez*, 551 Phil. 890, 911 (2007), citing *Rualo v. Pitargue*, 490 Phil. 28, 46-47 (2005).

²⁷ *Id.* at 911-912.

²⁸ *Rollo*, p. 29.

²⁹ *Id.* at 128, 142 and 157. Underscoring in the original.

³⁰ *Id.* at 100.

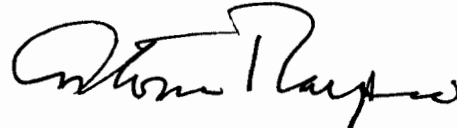
³¹ *Constantino v. Heirs of Constantino*, 718 Phil. 575, 592 (2013), citing *Alfelor v. Halasan*, 520 Phil. 982, 991 (2006).

³² *Supra* note 20.

³³ *Id.*, citing *Manila International Airport Authority v. Olongapo Maintenance Services, Inc.*, 567 Phil. 255, 272-273 (2008); *Light Rail Transit Authority v. Court of Appeals*, 486 Phil. 315, 329 (2004); and *National Food Authority v. Court of Appeals*, 323 Phil. 558, 571 (1996).

WHEREFORE, we **DENY** the petition. We **AFFIRM** the Decision dated 20 May 2014 and the Resolution dated 5 May 2015 of the Court of Appeals in CA-G.R. SP No. 04008-MIN.

SO ORDERED.



ANTONIO T. CARPIO
Associate Justice

WE CONCUR:



DIOSDADO M. PERALTA
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice



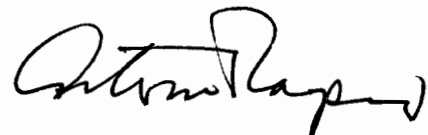
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



ANDRES B. REYES, JR.
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution 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