

# REPUBLIC OF THE PHILIPPINES DEPARTMENT OF FINANCE BUREAU OF CUSTOMS

COLLECTION DISTRICT XII
DAVAO

1<sup>st</sup> INDORSEMENT December 13, 2013

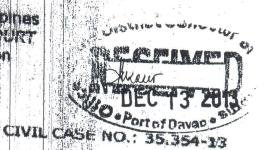


Respectfully forwarded to the Hon. John Philip P. Sevilla, Commissioner of Customs, Manila, the attached writ and order of preliminary injunction issued by Judge Emmanuel C. Carpio of the Regional Trial Court, Branch 16, Davao City, enjoining this office from seizing, holding and alerting the shipments of Starcraft International Trading Corp. which were sold to plaintiff Joseph M. Ngo, which order was received by this office this afternoon.

DATU SAMSON P. PACASUM
Acting District Collector

Republic of the Philippines
REGIONAL TRIAL COURT

11" Judicial Region
DRANCH 16
Davao City



JOSEPH MANNEUPAGE NGO,

-Versus-

Care Control C

Defendant/s

TO:

PRANCIS DAVAGO CITY

GREENINGS

pertinent fortion of which states:

The control of the immary Mandatory Interction issue, upon payment of the required less entoning and restraining defendant, and after and in their behalf, and all their agents and responsible officers, from:

- Setting electing and/of nolding Plannell's USE Shipments (emder the set of th
- transfermenting any Alert Orders, Hold Orders, and Issuances in relation to Plaintiffs rice shipments and/or Verusing to lift any section of Sections of Sections
- Laying any act that would prejudice Plants while the propriety paragraphs, are still at Issue and Subject to judicial

Fecelot No. 2104574 (5506d of 13-050 L) If the Strougt of FIVE by this Court.

THE BUREAU OF CUSTOMS PORT OF DAVAGE AND ALL THOSE RESECONSTBLE OFFICERS, BUSINESS AND IN THEIR BEHALF, AND ALL THEIR AGENTS AND



Positive Alexand and/or holding residents like shipments (under APLINITATION OF APLUNTATIONS: APLUNTABUSSIES Whose tariffs and customs duties are duly paid;

implementing any Alert Orders. Hold Orders and issuances in relation to Plaintiff's rice shipments and/or fatuality to list any such

Coing any act that would prejudice Plaintiff while the propriety and validity of its actions as enumerated in the preceding paragraphs, are still at lesue and subject to judicial determination.

Williams my hand under the seal of the Court, this 13" day of nuer 2013 at Davao City, Philippines,

ENMANUEL C. CARPIO

(ORIGINAL)

Nº 2104574



#### REPUBLIC OF THE PHILIPPINES JUDICIARY OFFICIAL RECEIPT



COURT . RTC-Davao City

Clerk of Court

0002104574

DATE: 13-DEC-13.12:13:42 CASE NUMBER CIVIL 35,354-13

Davao City

Br. 16

PAYOR: JOSEPH MANGUPAG NGO

PARTICULARS: INJUNCTION BOND (PER ORDER DTD, 12/12/13)

FUND

AMOUNT

PAYMENT DETAILS

5,000,000.00 CHECK BDD

0011409

5,000,000.00

AMOUNT IN WORDS Five Million AND 00 / 100 ONLY

EMPLANUEL G. CARLE PRESIDING JUDG RTC BR. 10 MARCO GIT

Prepared By:

MARIFI ALFANTA OQUINDO

Payment Accepted By

EDIPOLO P SARABIA JR CLERK OF COURT VI

CERTIFIED TROE/XEROX COPY

ATT FORELTP. SARABIA, JR. Clerk of Court VI

REGIONAL TRIAL COURT Davao City Clerk of Court LEGAL FEES FORM Case I un ber: Case Title: CIVIL 35,354-13 Assessment ID: 3030034097 Payor: Particulars: JOSEPH MANGUPAG NGO INJUNCTION BOND ( PER ORDER DTD, 12/12/13.) OR Number: RECEIVED THIS 13 December 2013 THE FOLLOWING PAYMENTS: SPECIAL ALLOWANCE FOR THE JUDICIARY (SAJ) 0.00 DUDICIARY DEVELOPMENT FUND (JDF) 0.00 FIDUCIARY FUND (FF) SHERTIFE TRUST FUND (STF) 5,000,000.00 5,000,000.00 0.00 PHILIPPINE MEDIATION FUND 141 (PMF) 0.00 LEGAL RESEARCH FUND (LRF) 0.00 LAND REGISTRATION AUTHORITY (LRC) 0.00 VICTIMS COMPENSATION FUND (VCF) 0.00 Total; 5,000,000,00 NOTE THIS IS THO BE ATTACHED TO THE RECORD OF THE CASE IN LIEU OF THE OFFICIAL RECEIPTS AS PER ETROUGH NO BE BY OF THE COURT ADMINISTRATOR DATED MAY 5, 1997 Assessed by: Payment Reserved by: MARIFI ALTANTA OQUINDO MARIFI ALFANTALOQUINDO Printed on: CENTIFIED THULLY XERDY COPY ON MANUEL CG. (CAPE)
ON MANUEL CG. (CAPE)
ORLESTS BB. 10 ATT ENPELD P. SARABIA. JR. Clerk of Court VI RTC-GCC. David City

# Republic of the Philippines REGIONAL TRIAL COURT 11<sup>th</sup> Judicial Region BRANCH 16 Davao City

11th JUDICIAL REGION
EIVED BY:

STOPPOST

JOSEPH MANGUPAG NGO

Plaintiff,

CIVIL CASE NO. 35,354-2012

For -

Versus -

DISTRICT COLLECTOR OF THE BUREAU OF CUSTOMS -PORT OF DAYAO. IN HIS CAPACITY AS THE DISTRICT COLLECTOR FOR THE PORT OF DAYAO,

Defendant.

"PERMANENT INJUNCTION WITH PRAYER FOR A TEMPORARY RESTRAINING ORDER AND/OR PRELIMINARY ENJUNCTION"

## ORDER

This refers to plaintiff's application for permanent, injunction with prayer for a temporary restraining order and/are preliminary injunction.

Order, Plaintiff allege in paragraphs 31 to 52 of his Complaint that:

in the Complaint.

J2. The plaintiff has a legal right over the Rice Shipments. Pursuant to his agreement with Starcraft, Plaintiff became the owner of the Rice Shipments upon payment of the down payment. Thus, the Plaintiff has the right to cause the release of the Rice Shipments and to take possession and custody thereof.

33. Plaintiff has a clear right to the injunctive leliefs. It should be remembered that the Philippines is a member of the WTO and is bound by the terms and provisions of the WTO-GATT; that the Philippines requested for and was granted a Special Treatment for rice from 1995 to 2005; that the Philippines was able to extend the grant of Special Treatment up to June 30, 2012; that to date no extension of the grant of Special Treatment has been given by the WTO; that the grant of Special Treatment has indeed expired on June 30, 2012; and that the government to date is still appealing to WTO for an extension of the grant of Special Treatment up to the year 2017;

34. Now, given the above, it is clear that the WTO Special Treatment for rice was the only source of the Philippines' right to impose quantitative restrictions by way of import permits/import quotas in the importation of rice. If the Philippines has the right and authority to impose quantitative restrictions on rice outside the WTO Special Treatment why then did the Philippines requested for the grant of special Treatment from 1995 to 2005, had the Special Treatment extended up to June 30, 2012, and vigorously appeal to the WTO for another extension of the Special Treatment up to the year 2017 despite the clear expiration thereof on June 30, 2012.

35. It is observed that with the entry of the Philippines to the WTO in 1995, the country in compliance with its obligations to the WTO enacted Republic Act £178, which removed quantitative restrictions on agricultural products and tarified the same. Rice was not included therein since the Philippines was granted a Special Treatment for rice at the time of its enactment and the Philippines has to respect the same. Clearly. The Philippines adheres to and respects its WTO commitments and obligations. One of these WTO obligations and commitments is not to impose quantitative restrictions such as requiring an import permit in the importation of rice after the expiration of the Special Treatment for rice granted to the Philippines, and another is to subject rice imporations to the tarrification.

36. The effect and legal consequence of the expiration of the WTO Special Treatment is that the member country, the Philippines, is no langer allowed to impose, maintain, resort or revert to quantitative import restrictions, variable import prices, discretionary import licensing, non-tariff measures maintained through state-trading enterprises, voluntary export restraints, and similar border measures other than ordinary customs duties. This is in accordance with Paragraph 2 Article 4 Annex 5 of the WTO Agreement on Agriculture.

despite the absence of an import permit the NFA. This is supported not only by the provisions of the WTO-GATT, but even by the provisions of the Constitution which treats the WTO-GATT as part of the laws of the Philippines and in the same footing as local legislation. This conclusion is well-settled by the Supreme Court in the interpretation and application of the Constitution vis-à-vis treaties which the Philippines has entered into force.

XXXX.

39. The Plaintiff as owner of the Rice Shipment has a clear egal right to the injunctive relief given the expiration of the WTO Special Treatment for rice in June 30, 2012. Thus, the continued insistence of the BOC -District Collector that an import permit is still required, coupled by his refusal to release the Rice Shipments which has already arrived, is clearly in violation of Plaintiff's right and is contrary to law.

40. The refusal of the BOC-District Collector to release the Rice

Shipments will certainly do injustice to the Plaintiff.

41. If unrestrained, Plaintiff's rights will not only be violated. Worse, the judgment of this Honorable Court will be rendered ineffectual, in view of the sizeable and debilitating losses that Plaintiff will suffer and continue to suffer.

42. Plaintiff has already suffered grave damages because the Rice Shipments were not released. Moreover, the damages that the Plaintiff will suffer will increase over time, such that the loss to the Plaintiff, in terms of profits and expenses, and in terms of the adverse impact this will make upon his reputation, will increase as time passes.

43. Therefore, the continued refusal of the BOC-District Collector to release the Rice Shipments will irreparably magnify the damages and losses already incurred by the Plaintiff.

44. The threat of seizure and detention of the Rice Shipments by the BOC-District Collector is imminent and real. Despite the absence of seizure and detention orders, the BOC-District Collector already refuses to release the Rice Shipments to the Plaintiff because of the unfounded claim that import permits from the NFA are needed for rice importation. The BOC-District Collector will continue to unreasonably refuse the release of the Rice Shipments despite the absence of any seizure and detention orders if

this Honorable Court will not step in and issue the injunctive reliefs

prayed for in this Complaint.

45. Meanwhile, the threat of seizure and detention by the BOC-District Collector is material and substantial Plaintiffs capital investment is substantial, such that the loss that Plaintiff will bear will severely cripple, if not his entire business. Rice is perishable and deteriorates. Prolonged exposure to the elements and improper storage while pending detention and seizure will result to the total deterioration of the Rice Shipments. Because of this, there is more reason for this Honorable Court to grant the injunctive reliefs prayed for in this Complaint.

46. Verily, the threatened seizure and detention of the Rice Shipments, if not enjoined by this Honorable Court, will render moot any judgment of this Honorable Court with respect to the Rice Shipments. By then, the Rice Shipments would have already been disposed of by the BOC-District Collector. Ultimately, the Plaintiff will

be left with nothing but losses.

47. At this point, it is important to stress that the Plaintiff stands to suffer not just ordinary losses, but also grave and irreparable injury.

48. First, a substantial amount of Plaintiff's capital has been spent on the Rice Shipments. Thus, if the Plaintiff does not recover the said capital, this will tremendously impact on his finances. Plaintiff

will have to close shop.

- 49. Second, Plaintiffs good business reputation cannot be matched by any monetary consideration. Plaintiffs delay in delivering the Rice Shipments to their respective buyers tarnished its name, but the lailure to deliver the said Rice shipments totally will destroy a reputation that the Plaintiff worked so hard to build. The injury to the Plaintiff 's good name can certainly not be replaced by any monetary consideration no matter how substantial it may be.
- 11. Plaintiff has no other plain, speedy and adequate remedy in fair to prevent irreparable injury, if the acts of the BOC-District Collector are lest unrestrained. On the other hand, the issuance of the restraining order or injunctive relief prayed for will not, in any way, prejudite the BOC or the District Collector, in view of the hand which Plaintiff is willing to post.
- 32. It is stressed that Plaintiff will be paying the taxes due to the Rice Shipments and the government will not be damaged or prejudiced with the issuance of the injunctive reliefs."

As required by the rules, the application for preliminary injunction was set for summary hearing on December 10, 2013.

Plaintiff himself testified and was duly cross-examined by the defense counsel Atty. Edward James A. Dy Buco. Thereafter, plaintiff through ounsel submitted his formal offer of documentary exhibits in support of his prayer for preliminary mandatory injunction consisting of the following:

> Exhibit "A" and sub-markings - Non-negotiable Waybills; Exhibit "B" and sub-markings - Starcraft Sales Orders; Exhibit "C" and sub-markings - Starcraft Sales Orders; exhibit "O" and sub-markings - Agreement; Exhibit "E" and sub-markings - BDO Bank deposit slips! Exhbit "F" - News Article of the Business Mitror Exhibit "G" Judicial Affidavit of Joseph N. Nyoj Exhibit "H" - Hold Order dated November 5, 2013; and Exhibit "I" - Print Out of Committee Daily Bulletin.

Defendant through counsel, in his "Comment/Opposition To Formal Offer of Exhibits", of the Plaintiff raised the following grounds:

Exhibit A and sub-markings - the consignee for the rice shipments in the said

exhibits is not the plaintiff but another entity;

Exhibit 'B" and sub-markings - they are immaterial and irrelevant to the present case and to the prayer for a temporary restraining order/preliminary injunction as their subject matters involved private commercial matters that do not relate to the issue of whether or not an import permit is required for rice importations;

Exhibit 'F' and 'L' - that said documents are only computer printouts and have not been duly authenticated in accordance with law, and that the contents of said

exhibits do not support the purposes for which they are being offered;

Exhibit "G" - there is no truth to the purpose for which it is being offered, as Plaintiff is not entitled to the temporary restraining order/preliminary injunction being prayed for;

injunction being prayed for;

Exhibit "fi" - the truth being that the rice shipments of Starcraft International Trading Corporation were put on hold or alert for having no import permit.

#### RULING

There are generally two kinds of preliminary injunction: (1) a prohibitory injunction which commands a party to refrain from doing a particular act; and (2) a mandatory injunction which commands the performance of some positive act to correct a wrong in the past. (De Guzman v. Vda. De Fernandez, G.R. No. 164529, June 19, 2007).

XXX

To be entitled to the injunctive writ, the applicant must show that there exists a right to be protected which is directly threatened by an act sought to be enjoined. Furthermore, there must be a showing that the invasion of the right is material and substantial and that there is an urgent and paramount necessity for the writ to prevent serious damage. The applicant's right must be clear and unmistakable. In the absence of a clear legal right, the issuance of the writ constitutes grave abuse of discretion. Where the applicant's right or title is doubtful or disputed, injunction is not proper. The possibility of irreparable damage without proof of an actual existing right is not a ground for injunction. (SUPRA).

shown. 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. There must exist an actual right. There must be a patent showing by the applicant that there exists a right to be protected and that the acts against which the writ is to be directed are violative of said right. (SUPRA).

In the case at bar, Plaintiff prays, for a preliminary mandatory injunction against the acts of herein defendants in holding the release of the "167 x 20 Containers under House Bill of lading Nos. MCPU 561501576; MCPU 561530836; NCPU MCC372735; MCPU MCC372738; MCPU MCC381399; MCPU MCC372721; APLU074794947; APLU074794965; APLU074805528, because of the reason that "the issue on the necessity of procuring import permit for rice importation remains unresolved." (Exh. "H")



Sifting through the records as well as the TSN taken during the summary hearing held on December 10, 2013, the issue in the instant case is NOT the non-payment of tariff and custom duties. As disclosed by Atty. Dy Buco (counsel for the defendant) the only impediment for them to release the container vans containing rice is that: - there is no import permit as requested by the NFA, to wit:

In any event, what is the present position of the Bureau of

Custom now, will it continue to refuse or?

Atty Dy Buco: Yes Your Honor because we issued a hold order and there

is a continuing request from the National Food Authority to hold the shipment after ... (interrupted).

Court But you acknowledge Atty. Dy Buco that the right of the

NFA to issue permit already expired based on the records?

Atty Dy Buco: Well based on the records as shown by the plaintiff in his

complaint Your Honor. We have also read it in the paper Your Honor that it has expired but there was no ...

(interrupted).

Court No extension of their right to -

Atty That is what is stated in the papers Your Honor.; But there Dy Buco:

is no exact legal opinion on that Your Honor. We are waiting actually for a legal opinion from our Manila office

Atty Taglucop: Anyway, the government will not be prejudiced Your Honor

because he interest of the Bureau of Customs Your Honor is only the payment of taxes Your Honor, duties and tariff Your Honor and we will be paying 50% I think of the

amount Your Honor as duties to the Philippines.

Court Do you confirm with the opinion of Atty. Taglucop, Atty. Dy

Buco that the readiness of the plaintiff the customs duties?

Atty Taglucop: As a matter of cat we have already paid for, well . . .

Court The nine (9) bills of lading are already paid?

Atty Taglucop:

Yes, Your Honor.

Court According to the plaintiff through counsel they are ready for the incoming six (6) bills of lading.

Atty Dy Buco: Well Your Honor, the stand of our office is that for as long

as there is no import permit as requested by the NFA, we have to hold the shipments Your Honor." (Underlining

supplied, TSN, December 10, 2013).

Moreover, the dispositive portion of the HOLD ORDER (Exhibit "H") dated November 5, 2013, states that:

> "WHEREFORE, while the issue on the necessity of procuring import permit for rice importation remains unresolved you are hereby ordered to seize and hold the release of the above-named shipments, until such time that you are direct otherwise." (Underlining supplied)

Given the foregoing facts, and in the honest opinion of the Court, the vital issue to resolve in determining whether the elements necessary for the grant of gratiminary mandatory injunction is: "WHETHER OR NOT THE NFA AFTER THE EXPIRATION OF THE INTO SPECIAL TREATMENT ON QUANTIVATIVE RESTRICTIONS ON JUNE 30, 2012 HAS STILL THE AUTHORITY TO INTERVENE ON THE RELEASE OF IMPORTED RICE FROM THE CUSTODY OF THE BUREAU OF CUSTOMS"

Since the determination on whether or not the NFA can still exercise its authority to restrict the quantity of rice coming in the Philippines under the WTO Special Treatment after the expiration of said authority on June 30, 2012, needs a full blown trial, the Court pending said trial finds the need to grant the injunctive relief sought for, because plaintiff has sufficiently established in his favor the requisites of the preliminary mandatory injunction, i.e. "xxx (a) the investor of right sought to be protected is material and substantial; (b) the right of the complainant clear and unmistakable; and (c) there is an urgent and paramount necessity for the writ to prevent serious damage. (Lim vs. CA, G.R. No. 134617, Fabruary 13, 2006), as supported by the following:

- 1. Plaintiff's right of ownership of the imported rice because of:
  - the agreement between the Starcraft International Trading Corp. (a) and plaintiff Joseph Mangupag Ngo (Exhibit 'p'); and (b)
  - his down-payment of the value of the goods, payment of cost of shipment and demurrage:
    - Mr. Witness, you said in your affidavit that you are a
    - Yes Your Honor.
    - And you are engaged in rice trading? Yes Your Honor.
    - How much did you pay for all these shipments? As far as my knowledge Your Honor, as of yesterday we already paid 8,335,000.00 for the denurrage and the
    - No, no. What I mean is, how much did you pay the Starcraft We already paid 21,300,000.00 Your Honor" (TSN dated December 10, 2013, page 10)
- 2. Tariffs and customs duties were already paid by the Plaintiff, which payment was not contested by defendants' counsel Atty. Dy Buco;
- 3. There is an urgent and paramount necessity for the writ to issue to prevent rreparable damage, because the goods subject matter of the instant ase are perishable as acknowledged by counsel of the defendants, to wit:

Q (Court)

Atty. Dy Buco, do you confirm that kind of concern of the plaintiff that the rice may deteriorate in its value and marketability?

ACT DY BUCG:

Yes Your house, that is sampain lang wiedge Your Monor" (Underliving supplied, December 10, 2013, p. 91

FOR REASONS STATED, pending trial, let a Writ of Preliminary Mandatory injunction issue, upon Plaintiff's posting a bond in the amount of 5,000,000,00 and upon payment of the required lees, enjoining and estruining defendant, all those acting for and in their behalf, and all their agents and responsible officers, from:

Sering, alerting, and/or holding Plaintiff's rice shipments (under House Bill of lading Nos. MCMJ 561501576; MCMJ 561530836; MCPU MCCBY2135, MCPU MCCB72738) MCPU MCCB1399, MCPU MCC372721/ APL VO74794947; APLUD74794965; APLUD749865328) Whose tariffs and usioms duties are duly paid;

implementing any Alert Orders, Hold Orders, and issuances in relation to Plaintiff's rice shipments and/or refusing to lift any such

orders or issuances;

bling any act that would prejudice Plaintiff while the propriety and wallisty of its actions as enumerated in the preceding paragraphs, are still at issue and subject to judicial determination.

SO O HOERED.

Daylo City, Philippines, December 12, 2013.

EMMANUEL C. CARPIO Presiding Judge

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Atty Mathony P. BankallyAtty, Ferdinand Taglucop Atty. Edward James A. Dy Buco The Commissioner, COC, Manila Destruit Commission, ESS-CPD, OIC-CIIS, Davas Assessment Division, Chief, Cargo Control Division

Republic of the Philippines REGIONAL TRIAL COURT 11th Judicial Region
BRANCH LE

TO VOLID OF THE PHILIPPINGS REGIONAL TRIAL COURT 19th JUPPERAL REGION

BEAUCH (16 DAMA

JOSEPH MANGUPAG NGO,

Plaintiff

CIVIL CASE NO. 35,354-2012

Versus -

DISTRICT COLLECTOR OF THE BUREAU OF CUSTOMS PORT OF DAVAGE TO THE DESTRUCT COLLECTOR FOR THE PORT OF DAVAGE

For -

PERMANENT INJUNCTION WITH PRAYER FOR A TEMPORARY RESTRAINING ORDER AND/OR PRELIMINARY INJUNCTION"

Defendant,

## ORDER

P5,000 don 00 under Official Receipt No. 2104574 and the required fees for the issuance of writ of injunction under Official Receipt No. 2104575, the

SO ORNEHED.

Davao City Philippines, December 13, 2013.

MANUEL C. CARPIO Presiding Judge

Co:

Atty Anthony P. Banzall/Atty, Ferdinand Taylucop

## Republic of the Philippines REGIONAL TRIAL COURT

11<sup>TH</sup> Judicial Region Branch 16 Davao City

JOSEPH MANGUPAG NGO,

CIVIL CASE NO. 35,354-13

Plaintiff,

versus-

FOR: PERMANENT INJUNCTION,

Francisco de

The Man Philippener

ETC.

DISTRICT COLLECTOR OF THE BUREAU OF CUSTOMS - PORT OF DAYAO, in his capacity as the District Collector for the Port of Dayao,

Defendant.

### ORDER

Turing the summary hearing on the prayer for injunctive network. Ferdinand M. Taglucop for the plaintiff and Atty. Edward Lames A Dy Buco representing the defendant are present.

Affidavit and was duly cross-examined by Atty. Dy Buco.

arguments/discussions of the contending lawyers, Atty. Taglucop closes his evidence and, as prayed for, is given until this afternoon to formally of the prayer for injunctive relief.

Thereafter, the incident is submitted for resolution.

SO ORDERED.

Daveo City, Philippines, December 10, 2013.

ECC/mndv Served on

-Atty Anthony P. Banzali / Atty Ferdinand M. Taglucop

-Atty Edward James A. Dy Buco

EMMANUEL C. CARPIO
Presiding Judge