Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

THE PHILIPPINE PORTS AUTHORITY (PPA), *Petitioner,*	**G.R. No. 203142**
	Present:
- versus -	CARPIO, *Chairperson,* DEL CASTILLO, MENDOZA, LEONEN, *and* JARDELEZA,* *JJ.*
COALITION OF PPA OFFICERS AND EMPLOYEES, represented by HECTOR E. MIOLE, ET AL., *Respondents.*	Promulgated: 26 AUG 2015

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DECISION

DEL CASTILLO, *J.*:

This Petition for Review on *Certiorari*[1] seeks to set aside the July 27, 2011 Decision[2] of the Court of Appeals (CA) dismissing herein petitioner Philippine Ports Authority's (PPA) Petition for *Certiorari* in CA-G.R. SP No. 03843, as well as the CA's August 10, 2012 Resolution[3] denying reconsideration of its assailed Decision.

Factual Antecedents

Petitioner is a government-owned and -controlled corporation in charge of port administration and operation in the country. Respondent Coalition of PPA Officers and Employees, represented by Hector E. Miole, is an aggrupation of PPA employees set up as a result of the instant case.

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* Per Special Order No. 2147 dated August 24, 2015.

1 *Rollo*, pp. 11-26

2 Id. at 29-36; penned by Associate Justice Ramon Paul L. Hernando and concurred in by Associate Justices Edgardo L. Delos Santos and Victoria Isabel A. Paredes.

3 Id. at 38-39; penned by Associate Justice Ramon Paul L. Hernando and concurred in by Associate Justices Edgardo L. Delos Santos and Carmelita Salandanan-Manahan.

In an Amended Petition for *Mandamus* with Damages[4] filed on February 28, 2008 before the Cebu City Regional Trial Court (RTC), docketed as Civil Case No. CEB-33982, and assigned to RTC Branch 21, respondent sought mainly to compel petitioner to pay all its employees cost of living allowance (COLA) and amelioration allowance (AA), pursuant to the mandate of Republic Act No. 6758[5] (RA 6758). Respondent claimed that the payment of these allowances were withheld by petitioner on July 15, 1999.

Petitioner filed its Amended Answer with Compulsory Counterclaim.[6] As special and affirmative defenses, it argued that respondent had no legal standing to file the Petition since it did not secure the required powers of attorney from the PPA employees and that it is not the recognized representative or bargaining/negotiating agent of the employees. Petitioner alleged that there is another pending case between the parties involving the same subject matter and issues and that the official documents which constitute the basis for filing the Petition are hearsay as they were obtained without petitioner's authority/clearance. Moreover, there was no prior demand for the fulfillment of the alleged obligation sued upon. It also asserted that *res judicata* exists and that there is no cause of action against it, as COLA and AA payments to the employees were discontinued on March 16, 1999 pursuant to 1) Section 4 of DBM (Department of Budget and Management) Corporate Compensation Circular No. 10 (DBM CCC 10), implementing Section 12 of RA 6758 which provides that all allowances, except those specifically excluded and enumerated in said Section,[7] shall be deemed included or integrated in the standardized salary rates prescribed by said law, and 2) the ruling in *Philippine Ports Authority (PPA) Employees Hired After July 1, 1989 v. Commission on Audit*[8] which states that the integration of COLA and AA into the standardized salaries of the PPA employees became effective on March 16, 1999. Thus, as of said date, PPA employees were no longer entitled to receive these two allowances. Petitioner also claimed that *mandamus* will not lie against the clear mandate of RA 6758 and DBM CCC 10; that respondent failed to exhaust all administrative remedies relative to its claim; that respondent is guilty of laches for filing the case only in 2008, when the COLA and AA were discontinued in March 1999; and that the case is really for a sum of money, which thus requires the payment of the appropriate docket fees corresponding to the amount of COLA and AA being claimed.

During the preliminary conference, petitioner moved to set the case for

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4 Id. at 40-49.

5 "An Act Prescribing A Revised Compensation And Position Classification System In The Government And For Other Purposes," or the "Compensation and Position Classification Act of 1989."

6 *Rollo*, pp. 57-73.

7 (1) representation and transportation allowances; (2) clothing and laundry allowances; (3) subsistence allowances of marine officers and crew on board government vessels and hospital personnel; (4) hazard pay; (5) allowances of foreign service personnel stationed abroad; and (6) such other additional compensation not otherwise specified in Section 12 as may be determined by the DBM.

8 506 Phil. 382 (2005).

hearing on its affirmative defenses. The parties were directed to submit their respective memoranda relative to the motion, and to attend the mediation which was scheduled on May 27, 2008. The parties thus submitted memoranda[9] and attended the scheduled mediation.

Ruling of the Regional Trial Court

On June 27, 2008, the RTC issued an Order,[10] stating as follows:

> Upon examination and review of the records, this Court has found that the instant case refers to a petition for mandamus with damages filed by the petitioner, thru counsel. It seeks to compel respondent PPA to integrate the amount of Cost of Living Allowance (COLA) and Amelioration Allowance (AA) into the basic salaries of the petitioners as of July 15, 1999, the corresponding differentials, and to continue paying them. Respondent PPA filed its Answer with Counterclaim with Special and Affirmative Defenses (such answer was subsequently amended). Upon order of this Court, parties also submitted their respective memoranda amplifying their stand on the Special and Affirmative Defenses, apart from some written manifestations. After evaluation, this Court now believes that it can render judgment based on the pleadings submitted by the parties without further hearings.
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> Accordingly, and in order to expedite the disposition of this case, this Court hereby orders the parties to submit their respective memoranda within thirty (30) days from notice hereof, after which, this case will be deemed submitted for decision.
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> Furnish copies of this Order to the counsels of the parties.
>
> SO ORDERED.[11]

Petitioner filed its Motion for Reconsideration[12] praying that a hearing on its motion be conducted first before the submission of memoranda. It argued that there is need to present evidence relative to the actual number or membership of the coalition, which has bearing on other special and affirmative defenses raised in the Amended Answer, particularly lack of legal standing/proper representation to sue, *litis pendentia*, and *res judicata*. It also averred that documentary evidence submitted by respondent during the pre-trial conference – but which petitioner denied specifically – must be presented in court and identified before they could be admitted for trial. It claimed that there is confusion as to what law to apply if the Petition for *Mandamus* were to be granted; that respondent's prayer is in conflict with the trial court's appreciation of the remedy to be accorded in the case, and thus there is a danger that double compensation could occur; and that until all

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9 *Rollo*, pp. 131-151, 168-174.

10 Id. at 175; penned by Judge Silvestre A. Maamo, Jr.

11 Id.

12 Id. at 176-182.

the foregoing matters are clarified, it would be unable to prepare and submit an intelligent memorandum. These arguments were reiterated in a Reply.[13]

In a September 5, 2008 Order,[14] the trial court denied petitioner's Motion for Reconsideration, stating that:

> Preliminarily, it must be stressed that the Order dated June 27, 2008, now sought to be reconsidered, is based on the provisions of Section [sic] 7 and 8, of Rule 65 of the 1997 Rules of Civil Procedure, which pertinently reads [sic]:
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> Section 7 (supra) provides:
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> > "x x x The Court in which the petition is filed may issue orders expediting the proceedings, and it may also grant temporary restraining order or a writ of preliminary injunction from [sic] the preservation of the rights of the parties pending such proceedings. x x x"
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> Section 8 (supra) also provides:
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> > "x x x After the comment or other pleadings required by the court are filed, or the time for the filing thereof has expired, the court may hear the case or require the parties to submit memoranda. If after such hearing or submission of memorandum or the expiration of the period for the filing thereof the court finds that the allegations of the petition are true, it shall render judgment for the relief prayed for or to which the petitioner is entitled.
> >
> > x x x x"
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> Counsels for the respondent argue that there is a need for hearing to determine the factual issues, x x x and whether x x x petitioners made a demand upon the respondent (PPA), among others. On the other hand, petitioners' counsel argue[s] that the issues to be resolved in this case are legal ones, which can be resolved based on the pleadings submitted by the parties.
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> The motion is unmeritorious.
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> After re-examining the records, this Court holds that the primary and principal issue to be resolved in this case, which is a mandamus suit, is whether x x x respondent can be compelled to perform an act which the law (RA 6758) specifically enjoins as [sic] a duty. All other issues raised, which respondent insists to be heard, are incidental to the said principal issue. Hence, the determination of all other issues, which respondent insists to be factual, shall not be allowed to deter the expeditious resolution of this case.
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> WHEREFORE, premises considered, the respondent's motion for reconsideration is hereby DENIED, for lack of merit.

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13 Id. at 187-191.

14 Id. at 192-193.

Notify the counsels.

SO ORDERED.[15]

Ruling of the Court of Appeals

Petitioner filed a Petition for *Certiorari*[16] with the CA, docketed as CA-G.R. SP No. 03843, arguing that the trial court committed grave abuse of discretion amounting to lack or excess of jurisdiction in issuing its June 27, 2008 and September 5, 2008 Orders. It asserted that under Section 6, Rule 16[17] and Section 8, Rule 65[18] of the 1997 Rules of Civil Procedure (1997 Rules), the trial court, by conducting a hearing on its affirmative defenses as if a motion to dismiss had been filed, may dismiss respondent's Petition if it finds the same to be patently without merit, prosecuted manifestly for delay, or that the questions raised therein are too unsubstantial to require consideration. Moreover, that the trial court must conduct a hearing on the factual issues as well, as they are critical to the judicious resolution of the main issues; that the legal and factual issues raised are substantial and should not have been ignored by the trial court, which was duty-bound instead to resolve the same. Petitioner claimed that the trial court's refusal to set a hearing constituted a disregard of Rule 3.05 of the Code of Judicial Conduct[19] and Supreme Court Administrative Circular No. 1, issued on January 28, 1988.[20]

On July 27, 2011, the CA rendered the assailed judgment, stating as follows:

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15 Id.

16 Id. at 206-223.

17 On Motion to Dismiss.

Sec. 6. Pleading grounds as affirmative defenses. – If no motion to dismiss has been filed, any of the grounds for dismissal provided for in this Rule may be pleaded as an affirmative defense in the answer and, in the discretion of the court, a preliminary hearing may be had thereon as if a motion to dismiss had been filed.

The dismissal of the complaint under this section shall be without prejudice to the prosecution in the same or separate action of a counterclaim pleaded in the answer.

18 On *Certiorari*, Prohibition, and *Mandamus*.

Sec. 8. Proceedings after comment is filed. After the comment or other pleadings required by the court are filed, or the time for the filing thereof has expired, the court may hear the case or require the parties to submit memoranda. If, after such hearing or filing of memoranda or upon the expiration of the period for filing, the court finds that the allegations of the petition are true, it shall render judgment for such relief to which the petitioner is entitled.

However, the court may dismiss the petition if it finds the same patently without merit or prosecuted manifestly for delay, or if the questions raised therein are too unsubstantial to require consideration. In such event, the court may award in favor of the respondent treble costs solidarily against the petitioner and counsel, in addition to subjecting counsel to administrative sanctions under Rules 139 and 139-B of the Rules of Court.

The Court may impose *motu proprio*, based on *res ipsa loquitur*, other disciplinary sanctions or measures on erring lawyers for patently dilatory and unmeritorious petitions for *certiorari*.

19 RULE 3.05 – A judge shall dispose of the court's business promptly and decide cases within the required period.

20 6.1. All Presiding Judges must endeavor to act promptly on all motions and interlocutory matters pending before their courts.

To begin with, the sole office of the prerogative writ of certiorari is to correct errors of jurisdiction including the commission of grave abuse of discretion amounting to lack of jurisdiction. Thus, certiorari is not issued to cure errors in proceedings or correct erroneous conclusions of law or fact. As long as a court acts within its jurisdiction, any alleged errors committed in the exercise of its jurisdiction will amount to nothing more than errors of judgment which are reviewable by timely appeal and not by a special civil action of certiorari.

In the case at bar, We hold that public respondent did not act with grave abuse of discretion when it issued the challenged orders. It was well within the trial court's discretion to determine whether or not there was a necessity to hear the affirmative defenses presented by petitioner in its answer.

It is true that Sec. 8 of Rule 65 provides that after the comment or other pleadings required by the court are filed, or the time for the filing thereof has expired, the court ***may*** hear the case or require the parties to submit memoranda. The use of the permissive word "*may*" in the aforesaid provision indicates that a hearing is only optional and not mandatory in nature. In other words, the matter of holding a hearing on the affirmative defense is discretionary on the part of the trial court.

As to petitioner's invocation of Sec. 6, Rule 16 of the Rules of Court, the same provides that a preliminary hearing on the affirmative defenses is subject to the discretion of the court, thus:

> Sec. 6 – Pleading grounds as affirmative defenses – If no motion to dismiss has been filed, any of the grounds for dismissal provided for in this Rule may be pleaded as an affirmative defense in the answer and, ***in the discretion of the court***, a preliminary hearing may be had thereon as if a motion to dismiss has been filed.

Moreover, the trial court in order to expedite the petition for mandamus, had a valid reason to dispense with the hearing. As aptly put by the RTC in its second assailed Order, since the primary issue to be resolved in a mandamus suit is whether or not private respondent (PPA) could be compelled to perform an act which the law specifically enjoins as a duty, all other issues which PPA insists to be heard are merely incidental to the principal issue.

Petitioner failed to demonstrate how the issuance of the assailed Orders constituted a whimsical and capricious exercise of judgment. Even if there was error of judgment on the part of the RTC, nevertheless, the same cannot be considered as grave abuse of discretion which could be corrected through certiorari. As We have stated, certiorari will issue only to correct errors of jurisdiction and not to correct errors of procedure or mistake in the findings of [sic] conclusions of the judge.

WHEREFORE, premises considered, the Petition for Certiorari is DENIED.

SO ORDERED.[21]

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[21] *Rollo*, pp. 33-36.

Petitioner filed its Motion for Reconsideration,[22] reiterating in essence all its arguments in the Petition. However, the appellate court denied the same in its second assailed August 10, 2012 disposition.

Hence, the instant Petition.

In a November 25, 2013 Resolution,[23] this Court resolved to give due course to the Petition.

Issue

Petitioner argues that the CA erred in ruling that the trial court did not commit grave abuse of discretion in issuing the June 27, 2008 and September 5, 2008 Orders.

Petitioner's Arguments

In its Petition and Reply[24] praying for reversal of the assailed CA dispositions and that the trial court be ordered to conduct a hearing on its affirmative defenses, petitioner reiterates its arguments in its CA Petition that it is a matter of urgent necessity that a hearing be held on its affirmative defenses. It argues that by conducting a hearing on its affirmative defenses as if a motion to dismiss had been filed, the trial court would be able to properly appreciate and resolve the legal and factual issues and affirmative defenses raised in its answer, and thus dismiss the case if it finds that respondent's Petition for *Mandamus* is patently without merit. Petitioner insists that such procedure is precisely warranted under Section 6, Rule 16 and Section 8, Rule 65 of the 1997 Rules; and that the trial court's refusal to conduct a hearing on its affirmative defenses violates Rule 3.05 of the Code of Judicial Conduct and Supreme Court Administrative Circular No. 1 of January 28, 1988.

Respondent's Arguments

In its Comment[25] seeking denial of the Petition, respondent claims that the Petition should be denied as the CA correctly held that the trial court did not act with grave abuse of discretion in issuing its assailed Orders, and that the instant Petition has been rendered moot and academic by judgment on the merits issued by the trial court on December 4, 2008.

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22 Id. at 404-411.
23 Id. at 520-521.

24 Id. at 450-453.
25 Id. at 414-420.

Our Ruling

On December 4, 2008, the RTC issued a Decision[26] in Civil Case No. CEB-33982, decreeing as follows:

> WHEREFORE, the petition is GRANTED. Consequently, the respondent is ordered to comply with the mandate of Republic Act 6758 by actually integrating the COLA and AA into the basic salaries of petitioners, and until this was [sic] complied with, respondent is ordered to pay the COLA and AA differentials from July 15, 1999 until the same shall have been actually integrated into the petitioners' basic salaries, at the rates of 40% and 10% thereof, respectively.
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> All other claims and counterclaims are hereby dismissed.
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> No pronouncement as to costs.
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> SO ORDERED.[27]

Petitioner appealed the trial court's Decision before the CA, which appeal was docketed as CA-G.R. CEB SP No. 04212. In a January 21, 2013 Decision,[28] the appellate court granted petitioner's appeal and thus reversed and set aside the RTC's December 4, 2008 Decision in Civil Case No. CEB-33982 and ordered the dismissal of the case.

Respondent filed a Petition for Review on *Certiorari* before this Court, docketed as G.R. No. 209433. It remains pending.[29]

Considering that judgment on the merits has been issued in Civil Case No. CEB-33982, there is no need to resolve the instant Petition, which has been rendered moot and academic. There is no need to scrutinize the actions of the trial court relative to its issuance of the assailed orders after it has rendered judgment in the case.

> Courts of justice constituted to pass upon substantial rights will not consider questions where no actual interests are involved. Thus, the well-settled rule that courts will not determine a moot question. Where the issues have become moot and academic, there ceases to be any justiciable controversy, thus rendering the resolution of the same of no practical value. Courts will decline jurisdiction over moot cases because there is no substantial relief to which petitioner will be entitled and which will anyway be negated by the dismissal of the petition. The Court will therefore abstain from expressing its opinion in a case

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26 Id. at 458-473; penned by Judge Silvestre A. Maamo, Jr.

27 Id. at 473.

28 Id. at 475-482; penned by Associate Justice Ramon Paul L. Hernando and concurred in by Associate Justices Carmelita Salandanan-Manahan and Maria Elisa Sempio Diy.

29 Id. at 544; petitioner's Memorandum dated February 19, 2014.

where no legal relief is needed or called for.[30]

While in their respective pleadings the parties insist on a resolution of the case on its merits – respondent even went so far as to suggest that the instant case be ordered consolidated with G.R. No. 209433 – the Court finds no cogent reason to do so; indeed, there are no exceptional circumstances to justify such action. The case involves a simple controversy regarding the application of a clear-cut law that has become the subject of a number of precedents; no constitutional question or paramount public interest is involved. As we have held in *Mattel, Inc. v. Francisco*,[31]

> Admittedly, there were occasions in the past when the Court passed upon issues although supervening events had rendered those petitions moot and academic. After all, the "moot and academic" principle is not a magical formula that can automatically dissuade the courts from resolving a case. **Courts will decide cases, otherwise moot and academic, if: first, there is a grave violation of the Constitution; second, the exceptional character of the situation and the paramount public interest is involved; third, when the constitutional issue raised requires formulation of controlling principles to guide the bench, the bar, and the public; and fourth, the case is capable of repetition yet evading review.**
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> Thus, in *Constantino v. Sandiganbayan (First Division)*, Constantino, a public officer, and his co-accused, Lindong, a private citizen, filed separate appeals from their conviction by the Sandiganbayan for violation of Section 3(e) of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act. While Constantino died during the pendency of his appeal, the Court still ruled on the merits thereof, considering the exceptional character of the appeals of Constantino and Lindong in relation to each other; that is, the two petitions were so intertwined that the absolution of the deceased Constantino was determinative of the absolution of his co-accused Lindong.
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> In *Public Interest Center, Inc. v. Elma*, the petition sought to declare as null and void the concurrent appointments of Magdangal B. Elma as Chairman of the Presidential Commission on Good Government (PCGG) and as Chief Presidential Legal Counsel (CPLC) for being contrary to Section 13, Article VII and Section 7, par. 2, Article IX-B of the 1987 Constitution. While Elma ceased to hold the two offices during the pendency of the case, the Court still ruled on the merits thereof, considering that the question of whether the PCGG Chairman could concurrently hold the position of CPLC was one capable of repetition.
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> In *David v. Arroyo*, seven petitions for certiorari and prohibition were filed assailing the constitutionality of the declaration of a state of national emergency by President Gloria Macapagal-Arroyo. While the declaration of a state of national emergency was already lifted during the pendency of the suits, this Court still resolved the merits of the petitions, considering that the issues involved a grave violation of the Constitution and affected the public interest. The Court also affirmed its duty to formulate guiding and controlling

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30 *Korea Exchange Bank v. Gonzales*, 520 Phil. 690, 701 (2006).

31 582 Phil. 492, 501-504 (2008).

> constitutional precepts, doctrines or rules, and recognized that the contested actions were capable of repetition.
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> In *Pimentel, Jr. v. Ermita*, the petition questioned the constitutionality of President Gloria Macapagal-Arroyo's appointment of acting secretaries without the consent of the Commission on Appointments while Congress was in session. While the President extended *ad interim* appointments to her appointees immediately after the recess of Congress, the Court still resolved the petition, noting that the question of the constitutionality of the President's appointment of department secretaries in acting capacities while Congress was in session was one capable of repetition.
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> In *Atienza v. Villarosa*, the petitioners, as Governor and Vice-Governor, sought for clarification of the scope of the powers of the Governor and Vice-Governor under the pertinent provisions of the Local Government Code of 1991. While the terms of office of the petitioners expired during the pendency of the petition, the Court still resolved the issues presented to formulate controlling principles to guide the bench, bar and the public.
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> In *Gayo v. Verceles*, the petition assailing the dismissal of the petition for *quo warranto* filed by Gayo to declare void the proclamation of Verceles as Mayor of the Municipality of Tubao, La Union during the May 14, 2001 elections, became moot upon the expiration on June 30, 2004 of the contested term of office of Verceles. Nonetheless, the Court resolved the petition since the question involving the one-year residency requirement for those running for public office was one capable of repetition.
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> In *Albaña v. Commission on Elections*, the petitioners therein assailed the annulment by the Commission on Elections of their proclamation as municipal officers in the May 14, 2001 elections. When a new set of municipal officers was elected and proclaimed after the May 10, 2004 elections, the petition was mooted but the Court resolved the issues raised in the petition in order to prevent a repetition thereof and to enhance free, orderly, and peaceful elections.
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> The instant case does not fall within the category of any of these exceptional cases in which the Court was persuaded to resolve moot and academic issues to formulate guiding and controlling constitutional principles, precepts, doctrines or rules for future guidance of both bench and bar. The issues in the present case call for an appraisal of factual considerations which are peculiar only to the transactions and parties involved in this controversy. The issues raised in this petition do not call for a clarification of any constitutional principle. Perforce, the Court dispenses with the need to adjudicate the instant case. (Emphasis supplied)

Similarly, this case is not among those exceptional cases that must be adjudicated although the issues have become moot and academic.

WHEREFORE, the Petition is **DISMISSED** for being moot and academic.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

JOSE CATRAL MENDOZA
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest 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.

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 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