**Digest – G.R. No. 203142**

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| G.R. Number | G.R. No. 203142 |
| Date of Trial | August 26, 2015 |
| Court Level | Court Of Appeals |
| Division | Second Division |
| Is En Banc | No |
| Petitioners | The Philippine Ports Authority (Ppa), Petitioner |
| Respondents | Coalition Of Ppa Officers And Employees, Represented By Hector E. Miole, Et Al., Respondents. |
| Ponente | Del Castillo J. |

**FACTS**

On December 4, 2008, the RTC issued a Decision in Civil Case No. CEB-33982.  
 The Decision ordered the respondent to comply with Republic Act 6758 by integrating COLA and AA into the basic salaries of petitioners.  
 The Decision ordered the respondent to pay COLA and AA differentials from July 15, 1999.  
 The CA reversed the RTC's December 4, 2008 Decision in a January 21, 2013 Decision.  
 The CA appeal was docketed as CA-G.R. CEB SP No. 04212.  
 Respondent filed a Petition for Review on Certiorari before the Supreme Court, docketed as G.R. No. 209433.  
 The trial court issued orders on June 27, 2008, and September 5, 2008.

**ISSUES**

Based on the provided text, the court formally addressed and resolved the following legal issues:   
Procedural Issues:   
Mootness: The primary procedural issue was whether the petition had become moot and academic due to the issuance of a judgment on the merits in the underlying Civil Case No. CEB-33982. The Court ultimately held that the petition was moot, as there was no longer a justiciable controversy or substantial relief to which the petitioner would be entitled.  
Certiorari as a Remedy: The Court of Appeals addressed whether certiorari was the appropriate remedy to challenge the trial court's orders. The CA found that certiorari is not meant to cure errors in proceedings or correct erroneous conclusions of law or fact, but rather, it is reserved for errors of jurisdiction or grave abuse of discretion amounting to lack of jurisdiction.  
Discretion of Trial Court to Conduct Hearing on Affirmative Defenses: The Court of Appeals addressed whether the trial court committed grave abuse of discretion by not conducting a hearing on the petitioner's (PPA's) affirmative defenses before rendering judgment based on the pleadings. The CA ruled that the trial court has discretion on whether to conduct such a hearing, based on Section 6, Rule 16 and Section 8, Rule 65 of the Rules of Court. The Court held that a hearing is only optional and not mandatory.  
Substantive Issues:   
 Integration of COLA and AA into Basic Salaries: The core substantive issue in the underlying case (Civil Case No. CEB-33982) was whether the Philippine Ports Authority (PPA) was required to integrate the Cost of Living Allowance (COLA) and Amelioration Allowance (AA) into the basic salaries of its employees, pursuant to Republic Act No. 6758 (RA 6758). However, this was not explicitly resolved by the Supreme Court decision because the petition was dismissed on the grounds of being moot.

**RULINGS**

Okay, let's break down the legal issues, the courts' resolutions, rulings, and the final disposition.  
Legal Issues & Resolution:   
Issue: Did the Regional Trial Court (RTC) commit grave abuse of discretion by not conducting a hearing on the petitioner's affirmative defenses before ordering the submission of memoranda and deeming the case submitted for decision?  
 RTC's Resolution: The RTC determined that the primary issue was whether it could compel the Philippine Ports Authority (PPA) to perform an act specifically enjoined by law (RA 6758). It deemed all other issues raised by the petitioner as incidental to this principal issue and decided to resolve the case based on the pleadings submitted. The RTC denied the motion for reconsideration, finding no merit in the need for a hearing to determine factual issues.  
 Court of Appeals' (CA) Resolution: The CA held that the RTC did not act with grave abuse of discretion. It stated that Section 8 of Rule 65 uses the permissive word "may," indicating that a hearing is optional, not mandatory. Similarly, Section 6, Rule 16 states that a preliminary hearing on the affirmative defenses is subject to the discretion of the court. The CA found the RTC had a valid reason to dispense with the hearing to expedite the petition for mandamus. It emphasized that certiorari is not used to correct errors of judgment but errors of jurisdiction.  
 Supreme Court's Resolution: The Supreme Court agreed with the Court of Appeals and held that the Regional Trial Court did not abuse its discretion.  
Issue: Did the RTC's refusal to conduct a hearing violate Rule 3.05 of the Code of Judicial Conduct and Supreme Court Administrative Circular No. 1 of January 28, 1988?  
 Resolution: The CA did not address this specific issue but found that the RTC did not abuse its discretion in not holding a hearing.  
Formal Rulings/Holdings  
The grant of a hearing on affirmative defenses is discretionary on the part of the trial court. The trial court's decision to dispense with such hearing to expedite proceedings, when the primary issue is a legal one determinable from the pleadings, does not constitute grave abuse of discretion.  
Dispositive Portion of the Court of Appeals Decision:   
>WHEREFORE, premises considered, the Petition for Certiorari is DENIED. SO ORDERED.