**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**

Petitioner is a government-owned and controlled corporation responsible for port administration and operation.  
 Respondent is the Coalition of PPA Officers and Employees, represented by Hector E. Miole, an organization of PPA employees formed due to this case.  
 On February 28, 2008, respondent filed an Amended Petition for Mandamus with Damages before the Cebu City RTC, docketed as Civil Case No. CEB-33982.  
 The Amended Petition sought to compel petitioner to pay employees cost of living allowance (COLA) and amelioration allowance (AA) under RA 6758.  
 Respondent alleged petitioner withheld these allowances from July 15, 1999.  
 Petitioner filed an Amended Answer with Compulsory Counterclaim, asserting respondent lacked legal standing due to absence of powers of attorney and representative status.  
 Petitioner claimed a pending case existed involving similar issues and that respondent's documents were inadmissible hearsay.  
 Petitioner asserted no prior demand was made for the alleged obligation.  
 Petitioner argued res judicata existed and no cause of action arose, as COLA/AA payments ceased March 16, 1999, per DBM CCC 10 and Philippine Ports Authority (PPA) Employees Hired After July 1, 1989 v. Commission on Audit.  
 Petitioner contended mandamus was inappropriate given RA 6758 and DBM CCC 10, and respondent failed to exhaust administrative remedies.  
 Petitioner alleged respondent was guilty of laches for filing the case in 2008, despite COLA/AA cessation in March 1999.  
 Petitioner argued the case was a sum of money claim requiring appropriate docket fees.  
 During the preliminary conference, petitioner moved to set the case for hearing on its affirmative defenses.  
 The RTC directed the parties to submit memoranda and attend mediation on May 27, 2008.  
 On June 27, 2008, the RTC ordered the parties to submit memoranda within thirty days, after which the case would be submitted for decision.  
 Petitioner filed a Motion for Reconsideration requesting a hearing on its motion prior to memorandum submission, citing the need to present evidence.  
 Petitioner argued for evidence on the coalition's membership, bearing on legal standing, litis pendentia, and res judicata defenses.  
 Petitioner stated respondent's documentary evidence should be presented and identified in court.  
 Petitioner claimed confusion regarding applicable law and potential for double compensation if mandamus were granted.  
 On September 5, 2008, the RTC denied petitioner's Motion for Reconsideration.  
 The RTC stated the primary issue was whether it could compel respondent to perform an act under RA 6758.  
 Petitioner filed a Petition for Certiorari with the CA, docketed as CA-G.R SP No. 03843, arguing the RTC committed grave abuse of discretion.  
 Petitioner argued 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.  
 Petitioner argued the RTC should have conducted a hearing on factual issues, which were critical to resolving the main issues.  
 Petitioner claimed the RTC's refusal to hold a hearing violated the Code of Judicial Conduct and Supreme Court Administrative Circular No.1.  
 On July 27, 2011, the CA denied the Petition for Certiorari, holding the RTC did not act with grave abuse of discretion.  
 The CA stated the trial court had discretion to determine the necessity of hearing affirmative defenses.  
 The CA stated the word "may" in Sec. 8 of Rule 65 indicates that a hearing is only optional and not mandatory in nature.  
 The CA stated a preliminary hearing on affirmative defenses under Sec. 6, Rule 16 of the Rules of Court is subject to the discretion of the court.  
 The CA reasoned the RTC had valid reason to expedite the mandamus petition as the primary issue was whether private respondent (PPA) could be compelled to perform an act the law specifically enjoins as a duty.  
 Petitioner filed a Motion for Reconsideration, reiterating its arguments.  
 The appellate court denied the Motion for Reconsideration on August 10, 2012.  
 Petitioner then filed the instant Petition.  
 On November 25, 2013, the Supreme Court resolved to give due course to the Petition.

**ISSUES**

Petitioner argues the CA erred in ruling the trial court did not commit grave abuse of discretion.  
 The grave abuse of discretion refers to the issuance of the June 27, 2008 and September 5, 2008 Orders.  
 Petitioner prays the CA dispositions be reversed.  
 Petitioner prays the trial court be ordered to conduct a hearing on its affirmative defenses.  
 Petitioner reiterates arguments in its CA Petition.  
 Petitioner argues that a hearing on its affirmative defenses is a matter of urgent necessity.  
 Petitioner argues a hearing would allow the trial court to properly appreciate and resolve legal and factual issues and affirmative defenses raised in its answer.  
 Petitioner argues the trial court would dismiss the case if it finds Respondent's Petition for Mandamus is patently without merit.  
 Petitioner insists such procedure is warranted under Section 6, Rule 16 and Section 8, Rule 65 of the 1997 Rules.  
 Petitioner argues the trial court's refusal to conduct a hearing violates Rule 3.05 of the Code of Judicial Conduct and Supreme Court Administrative Circular No. 1 of January 28, 1988.  
 Respondent claims the Petition should be denied.  
 Respondent claims the CA correctly held the trial court did not act with grave abuse of discretion in issuing its Orders.  
 Respondent claims the Petition has been rendered moot and academic by judgment on the merits issued by the trial court on December 4, 2008.

**RULINGS**

The RTC granted the petition in Civil Case No. CEB-33982, ordering the respondent to integrate COLA and AA into the petitioners' basic salaries per RA 6758, and to pay differentials from July 15, 1999, at rates of 40% and 10%, respectively.  
 All other claims and counterclaims in Civil Case No. CEB-33982 were dismissed.  
 The CA granted the petitioner's appeal in CA-G.R. CEB SP No. 04212, reversing the RTC Decision and ordering the dismissal of Civil Case No. CEB-33982.  
 The respondent filed a Petition for Review on Certiorari before the Supreme Court, docketed as G.R. No. 209433, which remains pending.  
 The Court found no need to resolve the instant Petition as the judgment on the merits has been issued in Civil Case No. CEB-33982, rendering it moot and academic.  
 The Court declines to rule on moot cases where no substantial relief can be granted to the petitioner.  
 The Court found no compelling reason to consolidate the instant case with G.R. No. 209433.  
 The case does not involve a constitutional question or paramount public interest.  
 The Court referenced previous instances where it resolved moot cases, specifically when there was a grave violation of the Constitution, exceptional circumstances involving paramount public interest, a constitutional issue requiring controlling principles, or the case was capable of repetition yet evading review.  
 The cases Constantino v. Sandiganbayan (First Division), Public Interest Center, Inc. v. Elma, David v. Arroyo, Pimentel, Jr. v. Ermita, Atienza v. Villarosa, Gayo v. Verceles, and Albaña v. Commission on Elections were cited as examples where moot issues were resolved.  
 The Court determined that the instant case does not fall under any of the exceptional circumstances that warrant resolution despite being moot.  
 The Court dismissed the petition as moot and academic.