

SECOND DIVISION

[G.R. No. 198426, September 02, 2015]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION
(POEA), PETITIONER, VS. PRINCIPALIA MANAGEMENT AND
PERSONNEL CONSULTANTS, INC., RESPONDENT.**

DECISION

DEL CASTILLO, J.:

This Petition for Review on Certiorari^[1] assails the April 4, 2011 Decision^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 111874 which denied the Petition for *Certiorari* and Prohibition^[3] filed therein by petitioner Republic of the Philippines (the Republic), through the Philippine Overseas Employment Administration (POEA), questioning the Orders^[4] dated July 28, 2009 and October 5, 2009 of the Regional Trial Court (RTC) of Mandaluyong City, Branch 212 in Civil Case No. MC09-4043. Also assailed is the August 31, 2011 CA Resolution^[5] which denied the Republic's Motion for Reconsideration thereto.

Factual Antecedents

In the Order^[6] of June 8, 2009 in POEA Case No. RV 07-03-0442, respondent Principalia Management and Personnel Consultants, Inc. (Principalia), a recruitment agency, was found by the POEA to have collected from complainant Alejandro Ramos an excessive placement fee. It was thus declared to have violated Section 2(b), Rule I, Part VI^[7] of the 2002 POEA Rules and Regulations (POEA Rules), a serious offense which carries the penalty of cancellation of license for the first offense.^[8] Accordingly, upon Principalia's receipt of the aforesaid Order on June 24, 2009, the POEA immediately cancelled its license based on Section 5, Rule V, Part VI of the POEA Rules, *viz.*:

Stay of Execution. The decision of the Administration shall be stayed during the pendency of the appeal; **Provided that where the penalty imposed carries the maximum penalty of twelve months suspension or cancellation of license, the decision shall be immediately executory despite the pendency of the appeal.**

Provided further that where the penalty imposed is suspension of license for one month or less, the decision shall be immediately executory and may only be appealed on ground of grave abuse of discretion. (Emphasis supplied)

Two days later or on June 26, 2009, Principalia sought to stay the implementation of the June 8, 2009 POEA Order by filing with the RTC of Mandaluyong City a Complaint for Injunction with Application for Issuance of a Temporary Restraining Order (TRO) and/or Writ of Preliminary Prohibitory and Mandatory Injunction.^[9] It contended that the immediate cancellation of its license not only deprived it of due process but also jeopardized the deployment of hundreds of overseas Filipino workers. That same day, the Executive Judge of RTC Mandaluyong issued a 72-hour TRO^[10] to allow the deployment of six workers who were already scheduled to leave for work abroad.

In the meantime, Principalia appealed the June 8, 2009 POEA Order with the Office of the Secretary of the Department of Labor and Employment (DOLE Secretary) on July 8, 2009.^[11]

On July 22, 2009, POEA filed with the RTC a Motion to Dismiss^[12] based on the grounds of lack of jurisdiction, failure to exhaust administrative remedies and forum-shopping. According to it, (1) it is the DOLE Secretary and not the RTC which has jurisdiction over cases assailing POEA Orders which direct the cancellation of license of a recruitment agency; (2) assuming that the RTC has jurisdiction, Principalia nevertheless failed to exhaust administrative remedies since it failed to first seek recourse from the DOLE; and, (3) Principalia committed forum-shopping when it also later appealed the June 8, 2009 POEA Order with the DOLE.

Ruling of the Regional Trial Court

In its July 28, 2009 Order,^[13] the RTC rejected POEA's arguments in its Motion to Dismiss. It held that: 1) it was conferred jurisdiction over injunction actions by Section 21 of *Batas Pambansa Blg. 129* (BP 129), or the Judiciary Reorganization Act of 1980, as amended by Republic Act No. 7691 (RA 7691); 2) the case falls under the exception to the rule on exhaustion of administrative remedies since it appears that Principalia may suffer irreparable damage as a result of the immediate cancellation of its license; and, 3) there is no forum-shopping because there is neither identity of parties nor identity of relief between the injunction case and the appeal before the DOLE. Hence, the RTC denied the said motion.

POEA moved for reconsideration^[14] but the RTC remained unconvinced of its contentions that it denied the same in its October 5, 2009 Order.^[15]

Recapitulating the arguments in the said Motion to Dismiss, the Republic, through the POEA, questioned by way of Petition for Certiorari and Prohibition^[16] the aforementioned July 28, 2009 and October 5, 2009 Orders of the RTC before the CA.

Ruling of the Court of Appeals

In its April 4, 2011 Decision,^[17] the CA debunked the argument of the Republic that the injunction case is in reality an action for the reversal of the POEA's order of cancellation of license over which the DOLE Secretary has jurisdiction. It explained that contrary to the Republic's contention, the injunction case is only meant to determine the legality or propriety of the immediate cancellation of Principalia's

license. This is pursuant to Principalia's claim that under the 2002 POEA Rules, it has the right to be protected from an unwarranted immediate execution of a cancellation order. Thus, pursuant to BP 129 which confers upon the RTC jurisdiction over actions for injunction, the trial court correctly assumed jurisdiction over the injunction case. The CA further noted that the RTC had not even ruled yet on the merits of the injunction case and thus, the Republic cannot claim that the latter already intruded into a matter that falls under the exclusive realm of authority of the DOLE Secretary. Lastly, it opined that the provisions of the 2002 POEA Rules upon which the Republic heavily relies cannot deprive the regular courts of jurisdiction to entertain an injunction complaint. Accordingly, the CA found no grave abuse of discretion on the part of the RTC in issuing its assailed Orders.

In a Resolution^[18] dated August 31, 2011, the CA stood its ground by denying the Republic's Motion for Reconsideration.

Unrelenting in its opinion that the RTC should have dismissed outright the injunction suit, the Republic filed this Petition on October 20, 2011.

However, on May 22, 2013, Principalia, filed a Motion to Dismiss (With Leave of Court)^[19] before the RTC. It averred that due to the length of time that the case has been pending, it is no longer interested in pursuing the same. Aside from this, Principalia believed that the issues involved in this case have already become moot and academic in view of the subsequent renewal of its license. It thus prayed that its action for injunction be dismissed pursuant to Section 2,^[20] Rule 17 of the Rules of Court. On June 5, 2013, the RTC granted the motion and dismissed the case.^[21]

The Parties' Arguments

Principalia, aside from refuting the substantial arguments of the Republic, asserts that the present Petition is already moot and academic. This is in view of the fact that its 2007 license which was ordered cancelled by the POEA had already long expired and in fact has been renewed by the POEA many times over. Principalia thus asserts that a ruling on this Petition will no longer be of practical value considering that the subject matter that Principalia then sought to enjoin was the immediate enforcement of the POEA Order cancelling its 2007 license. For this reason, the Petition should be dismissed.^[22]

The Republic, on the other hand, argues that the renewal of Principal's license does not bar this Court from ruling on the matters raised in the Petition. Even assuming that the Petition has indeed become moot and academic, the case at bench falls under the exceptions that authorize courts to pass upon questions that are already moot. To farther convince the Court, the Republic avers that in view of the plethora of pending similar cases that seek injunction from regular courts, the resolution of the instant Petition is necessary in settling once and for all which between the DOLE Secretary and the RTC has jurisdiction over actions assailing a POEA Order that involves immediate enforcement of penalties for serious offenses such as cancellation of license. The Republic likewise buttresses its other arguments that Principalia failed to exhaust administrative remedies when it directly filed the injunction case with the RTC and that it committed forum-shopping.^[23]

Issue

The central issue in this case is whether the RTC has jurisdiction over the injunction case.

Our Ruling

At the outset, it must be noted that the Petition is dismissible for being moot and academic. It should be recalled that what impelled Principalia to file the main action for injunction was the June 8, 2009 POEA Order directing the immediate cancellation of its license. Since Principalia could not then engage in recruitment activities because of the said Order, it resorted to the RTC to question and seek to enjoin such immediate cancellation for the obvious reason that it wanted to continue the operation of its business. Significantly, however, Principalia, to date, is a POEA-accredited recruitment agency licensed to do business until April 1, 2016.^[24] As things stand, therefore, Principalia has no more claim for relief against POEA since this has been mooted by the latter's renewal of its license to do business. In fact and as mentioned, Principalia already moved for the dismissal of the injunction case before the RTC which the said court correctly granted.

"A case becomes moot and academic when, by virtue of supervening events, there is no more actual controversy between the parties and no useful purpose can be served in passing upon the merits."^[25] In *Arevalo v. Planters Development Bank*,^[26] the Court expounded:

The Constitution provides that judicial power 'includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable.' **The exercise of judicial power requires an actual case calling for it.** The courts have no authority to pass upon issues through advisory opinions, or to resolve hypothetical or feigned problems or friendly suits collusively arranged between parties without real adverse interests. Furthermore, courts do not sit to adjudicate mere academic questions to satisfy scholarly interest, however intellectually challenging. **As a condition precedent to the exercise of judicial power, an actual controversy between litigants must first exist.** An actual case or controversy involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution, as distinguished from a hypothetical or abstract difference or dispute. There must be a contrariety of legal rights that can be interpreted and enforced on the basis of existing law and jurisprudence. (Emphases supplied)

However, the Court agrees with the Republic that while the case has indeed been rendered moot, it can still pass upon the main issue for the guidance of both bar and bench. It is settled that courts will decide a question otherwise moot and academic if the case is capable of repetition yet evading review.^[27]

In stressing that the RTC is bereft of jurisdiction to entertain the injunction case, the Republic avers that it is the POEA which has original and exclusive jurisdiction to hear and decide all pre-employment cases which are administrative in character involving or arising out of violations of recruitment regulations, or violations of conditions for the issuance of license to recruit workers, under Section 3(d) of