

Title:

Francisco Javier and Roman Ozaeta vs. Tomas Earnshaw, Mayor of the City of Manila

Facts:

This case commenced when Francisco Javier and Roman Ozaeta, plaintiffs and appellants, filed an action to restrain Tomas Earnshaw, then Mayor of the City of Manila and defendant and appellee, from canceling a previously granted permit for the installation and operation of a gasoline pump and underground tank in Manila. The appellants owned a parcel of land in Manila and entered into a contract with the Asiatic Petroleum Co. (P.I.) Ltd., which would provide a gasoline pump and tank for the exclusive use of Makabayan Taxicab Co., Inc. vehicles, also operated by the plaintiffs. The necessary license for this setup was obtained from Mayor Earnshaw after favorable endorsements from relevant city authorities. However, after the plaintiffs began selling gasoline to the public, in violation of the permit's conditions, Mayor Earnshaw notified them of his intent to cancel the permit. Despite the plaintiffs' explanations, the permit was eventually canceled, leading to the filing of this lawsuit and subsequent appeal to the Supreme Court.

Issues:

1. Whether Ordinance No. 1985 of the City of Manila, particularly paragraph 3 of section 1, is unconstitutional.
2. Whether the Mayor of Manila had the authority to cancel the permit granted to the Asiatic Petroleum Co. (P.I.), Ltd., based on the violation of the permit's conditions by the plaintiffs.

Court's Decision:

1. The Supreme Court upheld the validity of Ordinance No. 1985, ruling that the ordinance, enacted by the City of Manila under its police power, is a legitimate exercise of governmental authority aimed at regulating the installation and operation of gasoline stations for public safety, health, and welfare reasons.
2. On the issue of the Mayor's authority to cancel the permit, the Court found that the Mayor acted within his rights as outlined in the Revised Administrative Code. The permit was explicitly conditional, and the violation of these conditions by the plaintiffs justified its revocation.

Doctrine:

The case established that the exercise of police power by local government units, particularly in enacting ordinances that regulate activities for the protection of public

health, safety, and welfare, is legal and binding. Furthermore, the authority of city mayors to grant, refuse, or revoke licenses or permits is affirmed, as long as it aligns with the conditions under which these licenses or permits were granted.

Class Notes:

- **Police Power**: Defined as the authority vested in the legislature by the constitution, delegated to local government units, to enact measures that promote public health, safety, morals, and general welfare.
- **Ordinance Validity**: Municipal ordinances, such as Ordinance No. 1985 of the City of Manila, are valid exercises of police power as long as they are reasonable, not arbitrary, and designed to address specific issues relating to public safety, health, or welfare.
- **Authority to Revoke Permits**: City mayors have the authority to grant, refuse, or revoke permits and licenses, especially when conditions stipulated in these permits or licenses are violated. (Referenced from sec. 2434 (b), paragraphs (a) and (m) of the Revised Administrative Code).

Historical Background:

The context of this case reflects the challenges and disputes arising from urban development in early 20th century Manila, particularly related to public safety and the regulation of businesses. It underscores the necessary balance between private enterprise and the welfare of the public, a recurring theme as cities in the Philippines developed and grew.