

Title: Land Transportation Franchising and Regulatory Board (LTFRB) and Department of Transportation (DOTr) vs. Hon. Carlos A. Valenzuela and DBDOYC, Inc.

Facts:

This case involves the Land Transportation Franchising and Regulatory Board (LTFRB) and the Department of Transportation (DOTr) petitioning against a decision by Judge Carlos A. Valenzuela of the Regional Trial Court of Mandaluyong City, which favored DBDOYC, Inc., the company behind the Angkas mobile application. The RTC ruling essentially prohibited LTFRB and DOTr from regulating DBDOYC's operations carried out through the Angkas app.

Originally, in recognition of modern transport solutions, the Department of Transportation and Communications (DOTC), DOTr's predecessor, issued an order creating two new classifications: Transportation Network Companies (TNCs) and Transportation Network Vehicle Service (TNVS). Under this framework, motorcycles were not permitted to serve as public transport, a classification Angkas, a motorcycle-hailing service, fell under. Despite these regulations and without securing the necessary TNC accreditation, DBDOYC launched Angkas, leading to a crackdown by the LTFRB on its operations.

In response, DBDOYC filed a petition in July 2018 against LTFRB and DOTr, challenging their jurisdiction and the applicability of the transport regulations to its operations. The RTC, siding with DBDOYC, issued a writ of preliminary injunction in August 2018, halting regulatory action against Angkas. This decision was contested by LTFRB and DOTr, taking the matter to the Supreme Court under a petition for certiorari.

Issues:

1. Whether the RTC committed grave abuse of discretion in issuing a writ of preliminary injunction in favor of DBDOYC, thereby exempting it from transport regulation by LTFRB and DOTr.
2. The categorization of DBDOYC's Angkas bikers as providing public service and their regulation under existing transport laws.

Court's Decision:

The Supreme Court ruled in favor of the petitioners (LTFRB and DOTr), finding that the RTC had indeed committed grave abuse of discretion. The Court emphasized the absence of a

clear and unmistakable right in favor of DBDOYC to conduct its business free from regulation, particularly where public interest is concerned. It debunked the RTC's conception of Angkas's operation, noting the need for regulation given its public service characteristics. The Court underlined that, in law, Angkas and similar platforms are within the ambit of regulation by transportation authorities.

Doctrine:

This case reaffirms the principle that businesses, especially those implicated in the transportation of passengers, are subject to regulation to protect public interest, safety, and welfare. It recognizes the adaptability of existing laws to cover modern innovations in transport services, such as app-based ride-hailing platforms.

Class Notes:

- **Public Service Regulation**: Entities offering transport services, regardless of technological medium (app-based or traditional), fall under the regulatory purview if they offer services to the public for compensation.
- **Common Carriers**: Defined under Article 1732 of the Civil Code and applicable jurisprudence, entities engaging in the transportation of passengers or goods for compensation, serving the public, are considered common carriers.
- **Pre-requisite for Injunctive Relief**: For a court to issue a writ of preliminary injunction, there must be a clear and unmistakable right to be protected, which was absent in the case of DBDOYC, Inc.

Historical Background:

This case situates itself at the intersection of traditional transport laws and modern technology, challenging the adaptability and scope of existing regulations to accommodate innovations like app-based motorcycle taxi services. It denotes the judiciary's stance on public service obligations and the regulatory framework's extension to new business models in the transportation sector.