

****Title:**** De Lima, et al. vs. Hon. Court of Appeals, et al. and Games and Amusements Board vs. Meridien Vista Gaming Corporation: Regulatory Authority Over Gaming Operations in the CSEZFP

****Facts:**** The case revolves around the license granted by the Cagayan Economic Zone Authority (CEZA) to Meridien Vista Gaming Corporation (Meridien) for conducting jai alai operations within the Cagayan Special Economic Zone and Freeport (CSEZFP), including the setting up of betting stations. Upon advice from the Office of the Government Corporate Counsel (OGCC) that it lacked express legislative authority, CEZA revoked Meridien's license. Meridien challenged the revocation and obtained a writ of mandamus from the Regional Trial Court (RTC) of Aparri, which lapsed into finality due to CEZA's negligence. CEZA's subsequent legal remedies failed, thus leading to CEZA's appeal to the Supreme Court, which ruled in favor of CEZA, ordering the CA to revisit CEZA's appeal.

Parallely, the Games and Amusements Board (GAB) initiated an investigation discovering unpermitted jai alai betting stations operated by Meridien in Metro Manila and Rizal, resulting in a Cease-and-Desist Order (CDO). Meridien filed for an injunction against the CDO in RTC Aparri, which was granted albeit GAB contended it lacked jurisdiction over the matter. GAB's motion to dismiss on jurisdictional grounds was denied, propelling GAB to seek recourse at the Court of Appeals (CA), which ruled against the RTC's jurisdiction and affirmed GAB's regulatory authority over jai alai outside the CSEZFP.

Simultaneously, after declarations from the Department of Justice (DOJ) and the Department of Interior and Local Government (DILG) against Meridien's operations as directed by CEZA, Meridien sought to annul these directives through a Petition for Certiorari and Prohibition in the CA. The CA granted a Temporary Restraining Order and later a Writ of Preliminary Injunction against the DOJ and DILG directives pending resolution of related Supreme Court actions.

****Issues:****

1. Whether the CA committed grave abuse of discretion by issuing the Writ of Preliminary Injunction based on judicial courtesy in abstaining from resolving CA-G.R. SP No. 120236, pending the Supreme Court's decision in a related case (G.R. No. 194962).
2. The jurisdiction of the CA to address the main issues, specifically the legal standing for the injunction against DOJ and DILG's directives.
3. In GAB's appeal, whether the CA erred in clarifying the CDO's scope and in assessing GAB's regulatory authority within the CSEZFP.

****Court's Decision:****

- The CA committed a misstep in issuing the Writ of Preliminary Injunction purely on the basis of judicial courtesy, without proper consideration of Meridien's legal rights. The action was not mooted by other proceedings, and judicial courtesy isn't a ground for issuing such writs.
- On GAB's appeal, the Court ruled that the CA's clarification on the CDO's coverage was warranted, and it did not alter the CDO's essence. However, the Court negated the CA's ruling on GAB's regulatory authority due to a lack of jurisdiction to review the CDO.

****Doctrine:**** The issuance of a Writ of Preliminary Injunction requires the establishment of a clear and unmistakable legal right, something Meridien failed to demonstrate. Additionally, the principle of judicial courtesy is not a substitute for the issuance of a writ and is to be applied sparingly.

****Class Notes:****

- A clear and unmistakable right is crucial for the issuance of a Writ of Preliminary Injunction.
- Judicial courtesy is to be exercised with caution and is not a ground for injunction.
- The scope and jurisdiction of regulatory bodies over operations within special economic zones may be subject to legal scrutiny and clarification.
- Process in appellate procedures and the limitations of judicial review concerning quasi-judicial agencies and departmental directives.

****Historical Background:**** The case reflects ongoing tensions between regulatory bodies and licensed entities over operational jurisdictions within special economic zones, highlighting the complexity of governance and oversight in such designated areas.