

Title:

Placido O. Urbanes, Jr. vs. Court of Appeals, Social Security System, et al. (G.R. No. 119707)

Facts:

1. **Background**:

- Placido O. Urbanes, Jr. owned Catalina Security Agency (CATALINA).
- CATALINA won a security services contract with the Social Security System (SSS) after a public bidding in 1987 for the period July 1, 1988 - June 30, 1989.
- The contract was extended on a month-to-month basis.

2. **First Bidding Conflict**:

- A new public bidding was held on August 16, 1990, and the contract was awarded to Bolinao Security and Investigation Services, not CATALINA.
- CATALINA claimed irregularities in the bidding and filed Civil Case No. Q-91-7798 before the Regional Trial Court (RTC) of Quezon City.
- A writ of preliminary injunction was issued restraining SSS from awarding the contract to Bolinao.

3. **SSS Appeals**:

- SSS filed a petition for certiorari with the Court of Appeals (CA) to annul the RTC's injunction order, docketed as CA-G.R. SP No. 26633.
- CA dismissed the petition due to procedural defects and a subsequent petition was also dismissed.

4. **Compromise Agreement**:

- Urbanes and SSS entered a compromise, approved by the RTC:
- Withdrawal of claims against each other.
- SSS to conduct a new bidding with CATALINA as a qualified participant.
- CATALINA to continue providing services until a valid award from new bidding.

5. **Second Bidding Incident**:

- In the new bidding, Jaguar Security and Investigation Services won.
- A notice to terminate CATALINA's services was given after the contract was executed with JAGUAR.

6. **Subsequent Legal Actions**:

- CATALINA contested the bidding results, alleging fraud and arbitrariness, and filed for damages and injunctive relief in Civil Case No. Q-94-20557.

- RTC issued a temporary restraining order (TRO) and later a preliminary injunction to maintain CATALINA's services until the matter was resolved.

7. **SSS' Second Appeal**:

- SSS filed another certiorari petition with the CA (CA-G.R. SP No. 34345) to overturn the RTC's orders and writ.
- The CA issued a TRO, later nullified the RTC's orders, dismissed the case, and denied CATALINA's motion for reconsideration.

8. **Urbanes' Petition to Supreme Court**:

- Urbanes filed a petition for review with the Supreme Court, arguing CA exceeded its jurisdiction and erred in dismissing Civil Case No. Q-94-20557.

Issues:

1. Whether the Court of Appeals exceeded its jurisdiction in dismissing Civil Case No. Q-94-20557.
2. Whether the Court of Appeals improperly reviewed the trial court's findings and factual determinations.
3. Whether the preliminary injunction issued by the RTC was justifiable based on the evidence presented.

Court's Decision:

1. **On CA's Jurisdiction**:

- The Supreme Court ruled that the CA overstepped its jurisdiction. The CA should have limited itself to determining whether there was grave abuse of discretion by the RTC in issuing the interlocutory injunction, not dismiss the main case outright.
- The CA interfered prematurely by making determinations based on incomplete preliminary hearing evidence, rather than awaiting full trial proceedings.

2. **On Preliminary Injunction**:

- The RTC's issuance of the preliminary injunction was justified as it was supported by adequate preliminary evidence to preserve the status quo and prevent potential irreparable harm to CATALINA.
- The Supreme Court underscored the provisional nature of a preliminary injunction and emphasized the need for issues to be fully resolved in the main action.

3. **On Trial Court's Findings**:

- The appellate court improperly delved into factual findings appropriate for full trial,

making determinations on evidence that should have been preserved for final adjudication.

- The Supreme Court overturned the CA's decision to annul the RTC's preliminary injunction and dismissal of the main case, stating the trial process must continue.

Doctrine:

- **Scope of Certiorari**: The appellate jurisdiction in certiorari does not extend to final dispositions of the main case which are based on interlocutory orders unless the latter constitute grave abuse of discretion.

- **Fact-Finding in Preliminary Injunction**: Findings in a preliminary injunction are not conclusive and must not encroach on factual determinations reserved for full trial.

Class Notes:

- **Preliminary Injunction (Rule 58 SEC 1, Rules of Court)**: An order to maintain status quo until full adjudication.

- **Permanent Injunction**: Issued after a full trial, unlike the interlocutory nature of preliminary injunctions.

- **Grave Abuse of Discretion**: Capricious or whimsical exercise of judgment; certiorari cannot correct mere errors of fact or law.

- **Procedural Posture in Certiorari**: Proper forum for reviewing errors of lower courts is through the regular appellate process, not in a petition for certiorari unless jurisdictional excess is evident.

Historical Background:

- **Institution and Procedural Integrity**: The case underscores the complex procedural safeguards in public procurements and judicial relief mechanisms in Philippine jurisprudence.

- **Bid Process Scrutiny**: Reflective of a period addressing transparency and fairness in government contracts, providing a legal remedy against alleged fraudulent bidding processes.