

Title: National Power Corporation vs. Hon. Abraham P. Vera and Sea Lion International Port, Terminal Services, Inc.

Facts:

1. The National Power Corporation (NPC) had a contract with Sea Lion International Port, Terminal Services, Inc. for stevedoring and arrastre services at NPC's pier in the Batangas Coal-Fired Thermal Power Plant in Calaca, Batangas.
2. The contract expired, but NPC did not renew it, opting instead to take over the stevedoring services itself.
3. Sea Lion International Port, Terminal Services, Inc. filed a complaint for prohibition and mandamus with damages against NPC and the Philippine Ports Authority (PPA), alleging bad faith and grave abuse of discretion by NPC for not renewing the contract and for taking over the services.
4. The presiding judge, Abraham P. Vera, issued a restraining order enjoining NPC from undertaking stevedoring services at its pier and requiring NPC to either enter into a contract for stevedoring services or conduct a public bidding for them.
5. NPC filed an "Urgent Motion" to dissolve the restraining order, arguing that:
 - (a) The judge had no jurisdiction to issue the order under Presidential Decree No. 1818, which prohibits courts from issuing restraining orders, preliminary injunctions, or mandatory injunctions in cases involving infrastructure or public utility projects.
 - (b) Sea Lion International Port, Terminal Services, Inc. had no cause of action for a writ of preliminary injunction as their contract had expired.
6. The judge denied NPC's motion and issued a writ of preliminary injunction, prompting NPC to file a petition to annul the order with the Supreme Court.
7. The Supreme Court issued a temporary restraining order on June 15, 1988.
8. Following the exchange of pleadings, the issues were considered joined and submitted for decision.

Issues:

1. Whether the presiding judge had jurisdiction to issue a writ of preliminary injunction against NPC.
2. Whether NPC was empowered by its charter to undertake stevedoring and arrastre services.
3. Whether Sea Lion International Port, Terminal Services, Inc. had established a right to the issuance of a writ of preliminary injunction.
4. Whether the court had the authority to direct NPC to enter into a contract for stevedoring and arrastre services or to conduct a public bidding for them.

Court's Decision:

1. **Jurisdiction of the Judge**: The Supreme Court found that the presiding judge acted without jurisdiction when issuing the writ of preliminary injunction. Presidential Decree No. 1818 explicitly prohibits courts from issuing any restraining order or preliminary injunction in cases involving infrastructure or government-operated public utilities, which includes NPC's operations.
2. **Empowerment of NPC**: The Court determined that NPC was indeed empowered under its Charter, Republic Act No. 6395, as amended, to undertake stevedoring and arrastre services. The services are considered reasonably necessary and incidental to the operation and maintenance of NPC's power plants, fulfilling its corporate purposes.
3. **Right to Preliminary Injunction**: The Court concluded that Sea Lion International Port, Terminal Services, Inc. had failed to establish a right to the issuance of a writ of preliminary injunction. Their contract had expired, thus there was no existing contractual relationship warranting protection or preservation.
4. **Directive to NPC**: The Supreme Court held that directing NPC to enter into a contract for stevedoring services or to conduct a public bidding for them amounted to a mandamus, which was inappropriate as mandamus lies only to compel the performance of a ministerial duty, not to control discretion or compel fulfillment of contractual obligations.

Doctrine:

The Court reiterated that courts do not have jurisdiction to issue restraining orders or preliminary injunctions in cases involving government infrastructure projects or public utilities under Presidential Decree No. 1818. Additionally, corporations are empowered to undertake actions reasonably necessary to their operations and fulfilling their corporate purposes, even if such actions are not explicitly stated in their charter.

Class Notes:

- **Jurisdiction**: Presidential Decree No. 1818 bars courts from issuing restraining orders involving government projects.
- **Corporation Powers**: A corporation can undertake necessary actions incidental to its operations beyond the express provisions of its charter if they serve corporate purposes.
- **Mandamus**: Not applicable for discretionary or contractual actions, only for compelling the performance of ministerial duties.
- **Preliminary Injunction**: Requires a clear existing right needing protection, which was absent here as the contract had expired.

Historical Background:

The case occurred during a time when legislative measures like Presidential Decree No. 1818 were enacted to protect government projects from judicial interference, ensuring uninterrupted execution and operation of infrastructure projects critical to national development. This context reflects the government's emphasis on advancing and protecting large-scale projects that further national interests, particularly in public utilities like power generation.