

Title: Philippine Ports Authority vs. Nasipit Integrated Arrastre and Stevedoring Services, Inc.

Facts:

- Petitioner, Nasipit Integrated Arrastre and Stevedoring Services, Inc. (NIASSI), is a domestic corporation engaged in stevedoring.
- Respondent, Philippine Ports Authority (PPA), is a government agency overseeing management and control of all Philippine ports.
- In Nov 2000, PPA's Pre-Qualification, Bids, and Awards Committee (PBAC) accepted bids for a 10-year cargo handling contract at Nasipit Port. NIASSI was declared the winning bidder per PBAC Resolution No. 005-2000.
- PPA sent a Notice of Award to NIASSI, which required the latter to execute a formal contract after complying with documentary requirements. However, the contract was not executed.
- PPA issued several hold-over permits to NIASSI, the last of which was issued on Oct 13, 2004, set to expire on Apr 13, 2005.
- On Dec 10, 2004, PPA revoked the hold-over authority and took over Nasipit Port operations through its Port Services-Special Take-over Unit, using NIASSI's manpower and equipment.
- NIASSI filed a petition for injunction with plea for writ of preliminary injunction and/or temporary restraining order with the Regional Trial Court (RTC). They later amended it to include mandamus.
- RTC granted the preliminary mandatory injunction on Mar 18, 2005, favoring NIASSI and requiring PPA to restore control to NIASSI. NIASSI posted the required bond, and the injunction was issued.
- PPA moved for reconsideration and for the dissolution of the writ, also committing to a counter bond.
- Confusion on court dates resulted in an RTC order issued on Apr 1, 2005. Strangely, on April 11, 2005, RTC dissolved the preliminary injunction without a hearing.
- NIASSI filed a certiorari petition with the Court of Appeals (CA), alleging grave abuse of discretion by the RTC.
- CA ruled for NIASSI, nullifying the RTC's Apr 11 resolution and reinstating the writ of mandamus.

Issues:

1. Whether the Court of Appeals erred in setting aside the RTC resolution.
2. Whether the petition for mandamus was the proper remedy to enforce NIASSI's right

under its awarded bid proposal.

3. Whether Rule 65 certiorari was applicable in lieu of a motion for reconsideration.

Court's Decision:

1. **Exception to Motion for Reconsideration**: Supreme Court upheld the CA, recognizing that a motion for reconsideration was futile given the urgency and immediate executory nature of the RTC's resolution. The deprivation of NIASSI's due process and the extreme undeserved prejudice experienced justified bypassing such requirement.
2. **Procedural Irregularities by RTC**: Supreme Court affirmed CA's finding of RTC's procedural lapses - failure to conduct a hearing and not allowing parties to submit affidavits or counter-affidavits before dissolving the preliminary injunction.
3. **Certiorari as Appropriate Remedy**: Court found certiorari appropriate since the RTC's actions were gravely prejudicial and executed without procedural fairness to NIASSI.

Doctrine:

- Exceptions to the requirement of a motion for reconsideration include cases of urgent necessity, patent nullity, deprivation of due process, and where further delay prejudices interests significantly.
- Due process mandates a hearing before the dissolution of preliminary injunctions.

Class Notes:

- **Key Elements in Injunctions**: Importance of procedural fairness, right for hearing before dissolution, necessity for affidavits and counter-affidavits.
- **Mandamus Requirements**: Must show a clear right to the performance of the duty by the respondent.
- **Certiorari**: Review mechanism used when there is no plain, speedy, and adequate remedy in the course of law.
- **Provisions Cited**: Rule 65 and Rule 58 of the Revised Rules of Court.

Historical Background:

This case underscores the enduring battle over operational governance within government-controlled but partially privatized industries in the Philippines, where the contractual violations and administrative disputes often lead to significant delays and legal confrontations, impacting service and public interest. The procedural integrity highlighted in this case reflects a growing judicial insistence on due process even in the face of pressing administrative decisions.