

Title: The Commission on Audit (COA), Bureau of Internal Revenue (BIR), and Bureau of Customs (BOC) vs. Judge Silvino Pampilo Jr., Social Justice Society (SJS), Vladimir Alarique T. Cabigao, and PASANG MASDA, Inc.

Facts:

- Initial Filing:** On March 21, 2003, the Social Justice Society (SJS) filed a Petition for Declaratory Relief at the Regional Trial Court (RTC) of Manila against Pilipinas Shell Petroleum Corporation, Caltex Philippines, Inc., and Petron Corporation (collectively “Big 3”), alleging price-fixing and anti-competitive practices.
- Amendment:** The petition was amended to include Atty. Vladimir Alarique T. Cabigao as co-petitioner.
- Motions to Dismiss:** The Big 3 filed motions to dismiss on grounds including lack of standing, lack of jurisdiction, and non-exhaustion of administrative remedies.
- RTC Initial Order (December 17, 2003):** The RTC denied the motions to dismiss and referred the matter to the DOE-DOJ Joint Task Force for investigation, suspending proceedings in the meantime.
- Joint Task Force Report:** The DOE-DOJ Task Force found no evidence of violations by the Big 3.
- RTC Subsequent Orders (2009):** Between April 27 and July 7, 2009, the RTC:
 - Denied the Big 3’s renewed motions to dismiss.
 - Ordered the COA, BIR, and BOC to open and examine the books of accounts of the Big 3.
 - Included private respondent Cabigao in the panel of examiners.
 - Allowed PASANG MASDA’s intervention.
- Duplicate Petitions:** The COA, BIR, and BOC, along with Chevron and Petron, filed separate petitions for Certiorari at the Supreme Court (G.R. Nos. 188760, 189060, and 189333 respectively) against the RTC’s orders.
- Temporary Restraining Order (TRO) by SC:** The Supreme Court issued a TRO on August 4, 2009, enjoining the RTC orders.

Issues:

- Whether the RTC committed grave abuse of discretion by not dismissing the Amended Petition for Declaratory Relief.
- Whether the RTC had authority to order the COA, BIR, and BOC to examine the Big 3’s books and include private respondent Cabigao as part of the examination panel.
- Whether the RTC erred and acted with grave abuse of discretion by allowing PASANG MASDA to intervene.

Court's Decision:

1. **Justiciability and Propriety of Declaratory Relief:**

- The Supreme Court ruled that the RTC erred in not dismissing the Amended Petition for Declaratory Relief. The relief sought by SJS was beyond the scope of a declaratory relief petition, as it involved adjudication of alleged criminal acts (price-fixing), which should be addressed through ordinary criminal or civil actions, not declaratory relief.

2. **Authority to Examine Books:**

- The Supreme Court found that the RTC overstepped its jurisdiction and authority by ordering the COA, BIR, and BOC to examine the books of accounts of the Big 3. Such an order was beyond their statutory and constitutional mandates. The investigation and prosecution of anti-trust violations are within the exclusive remit of the DOE-DOJ Joint Task Force under RA 8479.

3. **Intervention by PASANG MASDA:**

- The Supreme Court ruled that PASANG MASDA did not meet the legal interest requirement under Rule 19 of the Rules of Court. The court noted that their interest as petroleum product consumers did not give them a sufficient legal interest to intervene in the case.

Doctrine:

1. **Limits on Declaratory Relief:** Declaratory relief is inappropriate where the statutory or contractual breach has already occurred. Such cases should proceed through appropriate ordinary actions.

2. **Primary Jurisdiction of Specialized Agencies:** The DOE-DOJ Joint Task Force under RA 8479 has exclusive authority to investigate and prosecute anti-trust violations.

3. **Statutory Boundaries of Government Agencies:** Orders directing COA, BIR, and BOC to perform acts outside their statutory mandates constitute grave abuse of discretion.

4. **Legal Interest for Intervention:** An intervenor must demonstrate an actual, substantial, material, direct, and immediate legal interest in the litigation matter.

Class Notes:

- **Declaratory Relief:** Limited to questions of statutory or contractual interpretation before any breach occurs.

- **Primary Jurisdiction:** Specialized bodies, such as the DOE-DOJ Task Force, handle specific statutory enforcement.

- **Mandate of Agencies:** COA's audit jurisdiction usually pertains to public entities or

non-government entities receiving government subsidies or equity.

- **Intervention Requirements**: A legal interest must be direct and immediate, not merely speculative or contingent.

Historical Background:

- This legal confrontation arises within the broader historical context of the Philippine government's effort to deregulate the downstream oil industry, culminating in RA 8479 (Oil Deregulation Law) passed in 1998.

- The controversy targeted the recurrent issue of fuel price hikes and alleged anti-competitive conduct by dominant market players.

- This case highlights judicial boundaries in addressing economic regulations and anti-trust measures, reinforcing the mandate of specialized administrative agencies over complex industry-specific issues.