PROFESSIONAL VIDEO, INC., PETITIONER, VS. TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, RESPONDENT.

G.R. No. 155504. June 26, 2009

Ponente: BRION, J.

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BRION, J.:

We resolve the petition filed by Professional Video, Inc. (PROVI)[1] to annul and set aside the Decision[2] of the Court of Appeals (CA) in CA-G.R. SP No. 67599, and its subsequent Order denying PROVI's motion for reconsideration.[3] The assailed CA decision nullified:

- the Order[4] dated July 16, 2001 of the Regional Trial Court (RTC), Pasig City, in Civil Case No. 68527, directing the attachment/garnishment of the properties of respondent Technical Education and Skills Development Authority (TESDA) amounting to Thirty Five Million Pesos (P35,000,000.00); and

- the RTC's August 24, 2001 Order[5] denying respondent TESDA's motion to discharge/quash writ of attachment.

THE FACTUAL BACKGROUND

PROVI is an entity engaged in the sale of high technology equipment, information technology products and broadcast devices, including the supply of plastic card printing and security facilities.

TESDA is an instrumentality of the government established under Republic Act (R.A.) No. 7796 (the TESDA Act of 1994) and attached to the Department of Labor and Employment (DOLE) to "develop and establish a national system of skills standardization, testing, and certification in the country."[6] To fulfill this mandate, it sought to issue security-printed certification and/or identification polyvinyl (PVC) cards to trainees who have passed the certification process.

TESDA's Pre-Qualification Bids Award Committee (PBAC) conducted two (2) public biddings on June 25, 1999 and July 22, 1999 for the printing and encoding of PVC cards. A failure of bidding resulted in both instances since only two (2) bidders - PROVI and Sirex Phils. Corp. - submitted proposals.

Due to the failed bidding, the PBAC recommended that TESDA enter into a negotiated contract with PROVI. On December 29, 1999, TESDA and PROVI signed and executed their "Contract Agreement Project: PVC ID Card Issuance" (the Contract Agreement) for the provision of goods and services in the printing and encoding of PVC cards.[7] Under this Contract Agreement, PROVI was to provide TESDA with the system and equipment compliant with the specifications defined in the Technical Proposal. In return, TESDA would pay PROVI the amount of Thirty-Nine Million Four Hundred and Seventy-Five Thousand Pesos (P39,475,000) within fifteen (15) days after TESDA's acceptance of the contracted goods and services.

On August 24, 2000, TESDA and PROVI executed an "Addendum to the Contract Agreement Project: PVC ID

Card Issuance" (Addendum),[8] whose terms bound PROVI to deliver one hundred percent (100%) of the enumerated supplies to TESDA consisting of five hundred thousand (500,000) pieces of security foil; five (5) pieces of security die with TESDA seal; five hundred thousand (500,000) pieces of pre-printed and customized identification cards; one hundred thousand (100,000) pieces of scannable answer sheets; and five hundred thousand (500,000) customized TESDA holographic laminate. In addition, PROVI would install and maintain the following equipment: one (1) unit of Micropoise, two (2) units of card printer, three (3) units of flatbed scanner, one (1) unit of OMR scanner, one (1) unit of Server, and seven (7) units of personal computer.

TESDA in turn undertook to pay PROVI thirty percent (30%) of the total cost of the supplies within thirty (30) days after receipt and acceptance of the contracted supplies, with the balance payable within thirty (30) days after the initial payment.

According to PROVI, it delivered the following items to TESDA on the dates indicated:

Date

Particulars

Amount

26 April 2000

48,500 pre-printed cards

P 2,764,500.00

07 June 2000

330,000 pre-printed cards

18,810,000.00

07 August 2000

121,500 pre-printed cards

6,925,500.00

26 April 2000

100,000 scannable answer sheets

600,000.00

06 June 2000

5 Micro-Poise customized die

375,000.00

13 June 2000

35 boxes @ 15,000 imp/box

10,000,000.00

Custom hologram Foil

Total

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P 39,475,000.00

PROVI further alleged that out of TESDA's liability of P39,475,000.00, TESDA paid PROVI only P3,739,500.00, leaving an outstanding balance of P35,735,500.00, as evidenced by PROVI's Statement of Account.[9] Despite the two demand letters dated March 8 and April 27, 2001 that PROVI sent TESDA,[10] the outstanding balance remained unpaid.

On July 11, 2001, PROVI filed with the RTC a complaint for sum of money with damages against TESDA. PROVI additionally prayed for the issuance of a writ of preliminary attachment/garnishment against TESDA. The case was docketed as Civil Case No. 68527. In an Order dated July 16, 2001, the RTC granted PROVI's prayer and issued a writ of preliminary attachment against the properties of TESDA not exempt from execution in the amount of P35,000,000.00.[11]

TESDA responded on July 24, 2001 by filing a Motion to Discharge/Quash the Writ of Attachment, arguing mainly that public funds cannot be the subject of garnishment.[12] The RTC denied TESDA's motion, and subsequently ordered the manager of the Land Bank of the Philippines to produce TESDA's bank statement for the garnishment of the covered amount.[13]

Faced with these rulings, TESDA filed a Petition for Certiorari with the CA to question the RTC orders, imputing grave abuse of discretion amounting to lack or excess of jurisdiction on the trial court for issuing a writ of preliminary attachment against TESDA's public funds.[14]

The CA set aside the RTC's orders after finding that: (a) TESDA's funds are public in nature and, therefore, exempt from garnishment; and (b) TESDA's purchase of the PVC cards was a necessary incident of its governmental function; consequently, it ruled that there was no legal basis for the issuance of a writ of preliminary attachment/garnishment.[15] The CA subsequently denied PROVI's motion for reconsideration;[16] hence, the present petition.

THE PETITION

The petition submits to this Court the single issue of whether or not the writ of attachment against TESDA and its funds, to cover PROVI's claim against TESDA, is valid. The issue involves a pure question of law and requires us to determine whether the CA was correct in ruling that the RTC gravely abused its discretion in issuing a writ of attachment against TESDA.

PROVI argues that the CA should have dismissed TESDA's petition for certiorari as the RTC did not commit any grave abuse of discretion when it issued the Orders dated July 16, 2001 and August 24, 2001. According to PROVI, the RTC correctly found that when TESDA entered into a purely commercial contract with PROVI, TESDA went to the level of an ordinary private citizen and could no longer use the defense of state immunity from suit. PROVI further contends that it has alleged sufficient ultimate facts in the affidavit it submitted to support its application for a writ of preliminary attachment. Lastly, PROVI maintains that sufficient basis existed for the RTC's grant of the writ of preliminary attachment, since TESDA fraudulently misapplied or embezzled the money earmarked for the payment of the contracted supplies and services, as evidenced by the Certification as to Availability of Funds.

TESDA claims that it entered the Contract Agreement and Addendum in the performance of its governmental function to develop and establish a national system of skills standardization, testing, and certification; in the performance of this governmental function, TESDA is immune from suit. Even assuming that it had impliedly consented to be sued by entering into a contract with PROVI, TESDA posits that the RTC still did not have the

power to garnish or attach its funds since these are public funds. Lastly, TESDA points out that PROVI failed to comply with the elements for the valid issuance of a writ of preliminary attachment, as set forth in Section 1, Rule 57 of the 1997 Rules of Civil Procedure.

THE COURT'S RULING

We find, as the CA did, that the RTC's questioned order involved a gross misreading of the law and jurisprudence amounting to action in excess of its jurisdiction. Hence, we resolve to DENY PROVI's petition for lack of merit.

TESDA is an instrumentality
of the government undertaking governmental functions.

R.A. No. 7796 created the Technical Education and Skills Development Authority or TESDA under the declared "policy of the State to provide relevant, accessible, high quality and efficient technical education and skills development in support of the development of high quality Filipino middle-level manpower responsive to and in accordance with Philippine development goals and priorities."[17] TESDA replaced and absorbed the National Manpower and Youth Council, the Bureau of Technical and Vocational Education and the personnel and functions pertaining to technical-vocational education in the regional offices of the Department of Education, Culture and Sports and the apprenticeship program of the Bureau of Local Employment of the DOLE.[18] Thus, TESDA is an unincorporated instrumentality of the government operating under its own charter.

Among others, TESDA is empowered to: approve trade skills standards and trade tests as established and conducted by private industries; establish and administer a system of accreditation of both public and private institutions; establish, develop and support the institutions' trainors' training and/or programs; exact reasonable fees and charges for such tests and trainings conducted, and retain such earnings for its own use, subject to guidelines promulgated by the Authority; and perform such other duties and functions necessary to carry out the provisions of the Act, consistent with the purposes of the creation of TESDA.[19]

Within TESDA's structure, as provided by R.A. No. 7769, is a Skills Standards and Certification Office expressly tasked, among others, to develop and establish a national system of skills standardization, testing and certification in the country; and to conduct research and development on various occupational areas in order to recommend policies, rules and regulations for effective and efficient skills standardization, testing and certification system in the country.[20] The law likewise mandates that "[T]here shall be national occupational skills standards to be established by TESDA-accredited industry committees. The TESDA shall develop and implement a certification and accreditation program in which private groups and trade associations are accredited to conduct approved trade tests, and the local government units to promote such trade testing activities in their respective areas in accordance with the guidelines to be set by the TESDA. The Secretary of Labor and Employment shall determine the occupational trades for mandatory certification. All certificates relating to the national trade skills testing and certification system shall be issued by the TESDA through its Secretariat."[21]

All these measures are undertaken pursuant to the constitutional command that "[T]he State affirms labor as a primary social economic force," and shall "protect the rights of workers and promote their welfare";[22] that "[T]he State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all";[23] in order "to afford protection to labor" and "promote full employment and equality of employment opportunities for all."[24]

Under these terms, both constitutional and statutory, we do not believe that the role and status of TESDA can seriously be contested: it is an unincorporated instrumentality of the government, directly attached to the DOLE through the participation of the Secretary of Labor as its Chairman, for the performance of governmental

functions - i.e., the handling of formal and non-formal education and training, and skills development. As an unincorporated instrumentality operating under a specific charter, it is equipped with both express and implied powers,[25] and all State immunities fully apply to it.[26]

TESDA, as an agency of the State, cannot be sued without its consent.

The rule that a state may not be sued without its consent is embodied in Section 3, Article XVI of the 1987 Constitution and has been an established principle that antedates this Constitution.[27] It is as well a universally recognized principle of international law that exempts a state and its organs from the jurisdiction of another state.[28] The principle is based on the very essence of sovereignty, and on the practical ground that there can be no legal right as against the authority that makes the law on which the right depends.[29] It also rests on reasons of public policy -- that public service would be hindered, and the public endangered, if the sovereign authority could be subjected to law suits at the instance of every citizen and, consequently, controlled in the uses and dispositions of the means required for the proper administration of the government.[30]

The proscribed suit that the state immunity principle covers takes on various forms, namely: a suit against the Republic by name; a suit against an unincorporated government agency; a suit against a government agency covered by a charter with respect to the agency's performance of governmental functions; and a suit that on its face is against a government officer, but where the ultimate liability will fall on the government. In the present case, the writ of attachment was issued against a government agency covered by its own charter. As discussed above, TESDA performs governmental functions, and the issuance of certifications is a task within its function of developing and establishing a system of skills standardization, testing, and certification in the country. From the perspective of this function, the core reason for the existence of state immunity applies - i.e., the public policy reason that the performance of governmental function cannot be hindered or delayed by suits, nor can these suits control the use and disposition of the means for the performance of governmental functions. In Providence Washington Insurance Co. v. Republic of the Philippines,[31] we said:

> [A] continued adherence to the doctrine of non-suability is not to be deplored for as against the inconvenience that may be caused private parties, the loss of governmental efficiency and the obstacle to the performance of its multifarious functions are far greater if such a fundamental principle were abandoned and the availability of judicial remedy were not thus restricted. With the well known propensity on the part of our people to go to court, at the least provocation, the loss of time and energy required to defend against law suits, in the absence of such a basic principle that constitutes such an effective obstacle, could very well be imagined.

PROVI argues that TESDA can be sued because it has effectively waived its immunity when it entered into a contract with PROVI for a commercial purpose. According to PROVI, since the purpose of its contract with TESDA is to provide identification PVC cards with security seal which TESDA will thereafter sell to TESDA trainees, TESDA thereby engages in commercial transactions not incidental to its governmental functions.

TESDA's response to this position is to point out that it is not engaged in business, and there is nothing in the records to show that its purchase of the PVC cards from PROVI is for a business purpose. While TESDA admits that it will charge the trainees with a fee for the PVC cards, it claims that this fee is only to recover their costs and is not intended for profit.

We agree with TESDA. As the appellate court found, the PVC cards purchased by TESDA from PROVI are meant to properly identify the trainees who passed TESDA's National Skills Certification Program - the program that immediately serves TESDA's mandated function of developing and establishing a national system of skills standardization, testing, and certification in the country.[32] Aside from the express mention of this function in R.A. No. 7796, the details of this function are provided under DOLE Administrative Order No. 157, S. 1992, as

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supplemented by Department Order Nos. 3 thru 3-F, S. 1994 and Department Order No. 13, S. 1994.[33]

Admittedly, the certification and classification of trainees may be undertaken in ways other than the issuance of identification cards, as the RTC stated in its assailed Order.[34] How the mandated certification is to be done, however, lies within the discretion of TESDA as an incident of its mandated function, and is a properly delegated authority that this Court cannot inquire into, unless its exercise is attended by grave abuse of discretion.

That TESDA sells the PVC cards to its trainees for a fee does not characterize the transaction as industrial or business; the sale, expressly authorized by the TESDA Act,[35] cannot be considered separately from TESDA's general governmental functions, as they are undertaken in the discharge of these functions. Along this line of reasoning, we held in Mobil Philippines v. Customs Arrastre Services:[36]

> Now, the fact that a non-corporate government entity performs a function proprietary in nature does not necessarily result in its being suable. If said non-governmental function is undertaken as an incident to its governmental function, there is no waiver thereby of the sovereign immunity from suit extended to such government entity.

TESDA's funds are public in character, hence exempt from attachment or garnishment.

Even assuming that TESDA entered into a proprietary contract with PROVI and thereby gave its implied consent to be sued, TESDA's funds are still public in nature and, thus, cannot be the valid subject of a writ of garnishment or attachment. Under Section 33 of the TESDA Act, the TESDA budget for the implementation of the Act shall be included in the annual General Appropriation Act; hence, TESDA funds, being sourced from the Treasury, are moneys belonging to the government, or any of its departments, in the hands of public officials.[37] We specifically spoke of the limits in dealing with this fund in Republic v. Villasor[38] when we said:

> This fundamental postulate underlying the 1935 Constitution is now made explicit in the revised charter. It is therein expressly provided, `The State may not be sued without its consent.' A corollary, both dictated by logic and sound sense, from such a basic concept, is that public funds cannot be the object of garnishment proceedings even if the consent to be sued had been previously granted and the state liability adjudged. Thus in the recent case of Commissioner of Public Highways vs. San Diego, such a well-settled doctrine was restated in the opinion of Justice Teehankee:
> The universal rule that where the State gives its consent to be sued by private parties either by general or special law, it may limit claimant's action 'only up to the completion of proceedings anterior to the stage of execution' and that the power of the Courts ends when the judgment is rendered, since government funds and properties may not be seized under writs of execution or garnishment to satisfy such judgments, is based on obvious considerations of public policy. Disbursements of public funds must be covered by the corresponding appropriation as required by law. The functions and public services rendered by the State cannot be allowed to be paralyzed or disrupted by the diversion of public funds from their legitimate and specific objects, as appropriated by law. [Emphasis supplied.]

We reiterated this doctrine in Traders Royal Bank v. Intermediate Appellate Court,[39] where we said:

> The NMPC's implied consent to be sued notwithstanding, the trial court did not have the power to garnish NMPC deposits to answer for any eventual judgment against it. Being public funds, the deposits are not within the reach of any garnishment or attachment proceedings. [Emphasis supplied.]

As pointed out by TESDA in its Memorandum,[40] the garnished funds constitute TESDA's lifeblood - in government parlance, its MOOE[41] - whose withholding via a writ of attachment, even on a temporary basis, would paralyze TESDA's functions and services. As well, these funds also include TESDA's Personal Services funds from which salaries of TESDA personnel are sourced. Again and for obvious reasons, the release of these funds cannot be delayed.

PROVI has not shown that it is entitled to the writ of attachment.

Even without the benefit of any immunity from suit, the attachment of TESDA funds should not have been granted, as PROVI failed to prove that TESDA "fraudulently misapplied or converted funds allocated under the Certificate as to Availability of Funds." Section 1, Rule 57 of the Rules of Court sets forth the grounds for issuance of a writ of preliminary attachment, as follows:

> SECTION 1. Grounds upon which attachment may issue. - A plaintiff or any proper party may, at the commencement of the action or at any time thereafter, have the property of the adverse party attached as security for the satisfaction of any judgment that may be recovered in the following cases:
>
> (a) In an action for recovery of a specified amount of money or damages, other than moral and exemplary, on a cause of action arising from law, contract, quasi-contract, delict or quasi-delict against a party who is about to depart from the Philippines with intent to defraud his creditors;
>
> (b) In an action for money or property embezzled or fraudulently misapplied or converted to his use by a public officer, or an officer of a corporation, or an attorney, factor, broker, agent or clerk, in the course of his employment as such, or by any other person in a fiduciary capacity, or for a willful violation of duty;
>
> (c) In an action to recover the possession of property unjustly or fraudulently taken, detained or converted, when the property or any part thereof, has been concealed, removed or disposed of to prevent its being found or taken by the applicant or an authorized person;
>
> (d) In an action against a party who has been guilty of fraud in contracting the debt or incurring the obligation upon which the action is brought, or in concealing or disposing of the property for the taking, detention or conversion of which the action is brought;
>
> (e) In an action against a party who has removed or disposed of his property, or is about to do so, with intent to defraud his creditors;
>
> (f) In an action against a party who does not reside and is not found in the Philippines, or on whom summons may be served by publication. [Emphasis supplied.]

Jurisprudence teaches us that the rule on the issuance of a writ of attachment must be construed strictly in favor of the defendant. Attachment, a harsh remedy, must be issued only on concrete and specific grounds and not on general averments merely quoting the words of the pertinent rules.[42] Thus, the applicant's affidavit must contain statements clearly showing that the ground relied upon for the attachment exists.

Section 1(b), Rule 57 of the Rules of Court, that PROVI relied upon, applies only where money or property has been embezzled or converted by a public officer, an officer of a corporation, or some other person who took advantage of his fiduciary position or who willfully violated his duty.

PROVI, in this case, never entrusted any money or property to TESDA. While the Contract Agreement is supported by a Certificate as to Availability of Funds (Certificate) issued by the Chief of TESDA's Accounting Division, this Certificate does not automatically confer ownership over the funds to PROVI. Absent any actual disbursement, these funds form part of TESDA's public funds, and TESDA's failure to pay PROVI the amount stated in the Certificate cannot be construed as an act of fraudulent misapplication or embezzlement. In this regard, Section 86 of Presidential Decree No. 1445 (The Accounting Code) provides:

> Section 86. Certificate showing appropriation to meet contract. - Except in a case of a contract for personal service, for supplies for current consumption or to be carried in stock not exceeding the estimated consumption for three months, or banking transactions of government-owned or controlled banks, no contract involving the expenditure of public funds by any government agency shall be entered into or authorized unless the proper

> accounting official or the agency concerned shall have certified to the officer entering into the obligation that funds have been duly appropriated for the purpose and that the amount necessary to cover the proposed contract for the current fiscal year is available for expenditure on account thereof, subject to verification by the auditor concerned. The certification signed by the proper accounting official and the auditor who verified it, shall be attached to and become an integral part of the proposed contract, and the sum so certified shall not thereafter be available for expenditure for any other purpose until the obligation of the government agency concerned under the contract is fully extinguished. [Emphasis supplied.]

By law, therefore, the amount stated in the Certification should be intact and remains devoted to its purpose since its original appropriation. PROVI can rebut the presumption that necessarily arises from the cited provision only by evidence to the contrary. No such evidence has been adduced.

Section 1 (d), Rule 57 of the Rules of Court applies where a party is guilty of fraud in contracting a debt or incurring an obligation, or in concealing or disposing of the property for the taking, detention or conversion of which the action is brought. In Wee v. Tankiansee,[43] we held that for a writ of attachment to issue under this Rule, the applicant must sufficiently show the factual circumstances of the alleged fraud because fraudulent intent cannot be inferred from the debtor's mere non-payment of the debt or failure to comply with his obligation. The affidavit, being the foundation of the writ, must contain particulars showing how the imputed fraud was committed for the court to decide whether or not to issue the writ. To reiterate, a writ of attachment can only be granted on concrete and specific grounds and not on general averments merely quoting the words of the rules.[44]

The affidavit filed by PROVI through Elmer Ramiro, its President and Chief Executive Officer, only contained a general allegation that TESDA had fraudulent misapplied or converted the amount of P10,975,000.00 that was allotted to it. Clearly, we cannot infer any finding of fraud from PROVI's vague assertion, and the CA correctly ruled that the lower court acted with grave abuse of discretion in granting the writ of attachment despite want of any valid ground for its issuance.

For all these reasons, we support the appellate court's conclusion that no valid ground exists to support the grant of the writ of attachment against TESDA. The CA's annulment and setting aside of the Orders of the RTC were therefore fully in order.

WHEREFORE, premises considered, we hereby DENY the petition filed by petitioner Professional Video, Inc., and AFFIRM the Court of Appeals' Decision dated July 23, 2002, and Resolution of September 27, 2002, in CA-G.R. SP No. 67599. Costs against the petitioner.

SO ORDERED.

Quisumbing, (Chairperson),[*]Ynares-Santiago, [**]Chico-Nazario,and [***]Leonardo-De Castro, JJ., concur.

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[*] Designated additional Member of the Second Division per Special Order No. 645 dated May 15, 2009.

[**] Designated additional Member of the Second Division effective June 3, 2009 per Special Order No. 658 dated June 3, 2009.

[***] Designated additional Member of the Second Division effective May 11, 2009 per Special Order No. 635 dated May 7, 2009.

[1] Petition for review on certiorari under Rule 45 of the Rules of Court; rollo, pp. 8-21.

[2] Dated July 23, 2002, penned by Associate Justice Eliezer R. De Los Santos, with Acting Presiding Justice Cancio C. Garcia (retired member of this Court) and Associate Justice Marina L. Buzon (retired), concurring; id.,

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pp. 22-31.

[3] Dated September 27, 2002; id., pp. 32-33.

[4] Penned by Judge Mariano M. Singzon, Jr.; id., pp. 86-87.

[5] Id., pp. 88-89.

[6] R.A. No. 7796, Section 14(b)(1).

[7] Rollo, pp. 45-47.

[8] Id., pp. 51-54.

[9] Id., p. 55.

[10] Id., pp. 56-57.

[11] Id., pp. 86-87.

[12] Id., pp. 95-108.

[13] Order dated September 10, 2001; id. , p. 120.

[14] Filed on November 15, 2001; id., pp. 60-85.

[15] Dated July 23, 2002; id., pp. 23-31.

[16] In a Resolution dated September 27, 2002; id., p. 33.

[17] Supra note 6, Section 2.

[18] Id., Section 5.

[19] Id. , Section 8.

[20] Id. , Section 14(b).

[21] Id. , Section 22.

[22] CONSTITUTION, Article II, Section 18.

[23] Id., Article XIV, Section 1.

[24] Id., Article XIII, Section 3.

[25] See Laguna Lake Development Authority v. Court of Appeals, G.R. No. 110120, March 16, 1994, 231 SCRA 292; Republic v. Court of Appeals, G.R. No. 90482, August 5, 1991, 200 SCRA 226.

[26] See Farolan, Jr. v. Court of Tax Appeals, G.R. No. 42204, January 21, 1993, 217 SCRA 298; Pacific Products, Inc. v. Ong, G.R. No. 33777, January 30, 1990, 181 SCRA 536.

[27] Metran v. Paredes, 79 Phil. 819 (1948).

[28] JUSMAG Philippines v. NLRC, G.R. No. 108813, December 15, 1994, 239 SCRA 224.

[29] Republic v. Sandoval, G.R. No. 84645, March 19, 1993, 220 SCRA 124, citing Kawanakoa v. Polyblank, 205 U.S. 349-353, 51 L. Ed. 834 (1907).

[30] Ibid., citing The Siren v. United States, 7 Wall. 152, 19 L. Ed. 129 (1869).

[31] G.R. No. L-26386, September 30, 1969, 29 SCRA 598.

[32] R.A. No. 7796, Section 14(b)(1).

[33] Whereas Clause of Contract Agreement Project: PVC ID Card Issuance; rollo, pp. 45-47.

[34] Supra note 4.

[35] See: Section 8 (5) to (10), R.A. No. 7796.

[36] G.R. No. L-23139, December 17, 1966, 18 SCRA 1120.

[37] Black's Law Dictionary, 6[th] Ed., p. 1229.

[38] G.R. No. L-30671, November 28, 1973, 54 SCRA 84.

[39] G.R. No. 68514, December 17, 1990, 192 SCRA 305.

[40] Rollo, pp. 188-202.

[41] Maintenance and Other Operating Expenses.

[42] Dy v. Enage, G.R. No. L-3535, March 17, 1976, 670 SCRA 96.

[43] G.R. No. 171124, February 13, 2008, 545 SCRA 263.

[44] D.P. Lub Oil Marketing Center, Inc. v. Nicolas, G.R. No. 76113, November 16, 1990, 191 SCRA 423.

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