AUDI AG, PETITIONER, VS. HON. JULES A. MEJIA, IN HIS CAPACITY AS EXECUTIVE JUDGE OF THE REGIONAL TRIAL COURT, ALAMINOS CITY; AUTO PROMINENCE CORPORATION; AND PROTON PILIPINAS CO...

G.R. NO. 167533. July 27, 2007

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

Before us for resolution is the instant Petition for Certiorari under Rule 65 of the 1997 Rules of Civil Procedure, as amended, alleging that respondent Executive Judge Jules A. Mejia of the Regional Trial Court (RTC), Alaminos City (Pangasinan) acted with grave abuse of discretion in issuing the Orders dated March 29 and July 6, 2005 in Civil Case No. A-3010, entitled "Auto Prominence Corporation and Proton Pilipinas Corporation, Plaintiffs, versus Audi AG, Defendant."

The petition alleges that Audi AG, petitioner, is a non-resident foreign company engaged in the manufacture of "Audi" brand cars. It is organized and existing under the laws of the Federal Republic of Germany, with principal office at I/VO-3, 85045 Ingolstadt, Germany. It is not licensed to do business in the Philippines but is suing on an isolated transaction.[1]

Auto Prominence Corporation and Proton Pilipinas Corporation (Proton), respondents, are corporations duly organized and existing under Philippine laws engaged in the business of assembling, buying, selling, distributing, importing, marketing, and servicing of motor vehicles. They have a common principal office at Barangay Alos, Alaminos City.

On March 21, 2005, respondents filed with the RTC, Alaminos City a complaint for specific performance and injunction (with application for a temporary restraining order [TRO] and preliminary injunction) against petitioner Audi AG, docketed as Civil Case No. A-3010. The complaint alleges inter alia that on August 1, 1996, petitioner appointed respondent Proton as its sole assembler and distributor of Audi cars in the Philippines under an Assembly Agreement and a Distributorship Agreement; that respondent Proton was induced to open, promote, develop and sell Audi brand cars in the Philippines upon petitioner's representations that it (respondent Proton) will be the exclusive assembler and distributor of Audi cars and local parts manufacturer for export purposes, for a period of 12 months and, thereafter, for an indefinite period upon the establishment of the assembly and distributorship network; that respondent Proton, relying upon petitioner's representations, was enticed to: (a) borrow money to establish the assembly plant and building for petitioner; (b) buy tools and equipment for its assembly plant and distributorship; (c) spend for its showrooms and offices; and (d) pay its license fees, technical brochure and other expenses; that it turned out that petitioner did not include the Philippines in its ASEAN Assembly Strategy program, but only Malaysia, thus frustrating respondent Proton's assembly preparations; that with evident bad faith, petitioner has been negotiating for the transfer of the distributorship of the Audi cars to a third party; and that both respondents were surprised when they received from petitioner a letter dated September

27, 2004 terminating the assembly and the distributorship agreements for reasons which to them are unjustified. Thus, the complaint prays that petitioner be ordered to comply with the exclusive assembly and distributorship agreements; and that, pending the determination of the merits of the case, a TRO and a writ of preliminary injunction be issued ordering petitioner, its representative, or any person claiming rights under it, to maintain the status quo ante, and restrain them from doing any act contrary to the parties' existing agreements.

After the complaint was filed, respondent Executive Judge Jules A. Mejia issued an Order (a) directing that summons and a copy of the complaint be served upon petitioner through extra-territorial service; and (b) setting on March 29, 2005 the hearing of the application for TRO.

On March 29, 2005, after conducting a hearing wherein respondents presented two witnesses, respondent Executive Judge issued the Order in question directing the issuance of a TRO effective for twenty (20) days, enjoining petitioner from terminating the contracts executed by the parties, and directing it or any person claiming rights under it, to maintain the status quo ante. The raffle of the case was set on April 8, 2005 at two o'clock in the afternoon.

Hence, the instant petition.

Petitioner contends that respondent Executive Judge's March 29, 2005 Order granting a TRO for twenty (20) days was "issued in a capricious, arbitrary, and whimsical manner constituting grave abuse of discretion, amounting to lack or excess of jurisdiction" because (a) the Order violates the second paragraph of Section 5, Rule 58 of the 1997 Rules of Civil Procedure, as amended; and (b) it was issued even before Civil Case No. A-3010 was raffled to a ponente.

Meanwhile, petitioner filed with the trial court an Urgent Motion for Voluntary Inhibition of respondent Executive Judge. But the motion was denied in an Order dated July 6, 2005, prompting petitioner to file a supplemental petition[2] praying for the nullification of this Order.

In their Opposition[3] and Comment,[4] respondents pray that the petition be dismissed for lack of merit. Specifically, they alleged that the petition suffers from the following defects: (1) it was filed in the absence of a motion for reconsideration of the assailed Order; (2) petitioner failed to observe the doctrine of hierarchy of courts; (3) the certification against forum shopping is defective as it was executed by counsel for petitioner, not by the latter's officers; and (4) the issue raised against the challenged Order of March 29, 2005 had become moot and academic.

The respondents are correct.

Indeed, we cannot ignore the fatal defects in the petition.

First, petitioner failed to file with the trial court the requisite motion for reconsideration of the challenged Order before resorting to the instant recourse. The well-established rule is that a motion for reconsideration is an indispensable condition before an aggrieved party can resort to the special civil action for certiorari under Rule 65 of the 1997 Rules of Civil Procedure, as amended.[5] Thus, petitioner should have first filed with the trial court a motion for reconsideration, as such special civil action may be resorted to only when "there is no appeal, nor any plain, speedy, and adequate remedy in the ordinary course of law."[6] Such indispensable requirement may, in well recognized instances, be glossed over to prevent a miscarriage of justice, or when the need for relief is extremely urgent and certiorari is the only adequate and speedy remedy available.[7] Petitioner failed to show sufficient justification for its failure to comply with the requirement.

We cannot accept petitioner's submission that a motion for reconsideration "is unnecessary" as its petition raises a

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question of law and that the assailed Order is a patent nullity. Petitioner may not arrogate unto itself the determination of whether a motion for reconsideration is necessary or not.[8] Its submission runs counter to the purpose of the rule that a motion for reconsideration would afford the erring court or agency an opportunity to rectify the error/s it may have committed without the intervention of a higher court.[9] Such motion is not only an expeditious remedy of an aggrieved party but also obviates an improvident and unnecessary recourse to appellate proceedings.[10]

Second, petitioner, by filing directly with this Court its petition, has ignored the established rule on hierarchy of courts. It must be stressed that the Court of Appeals and the Supreme Court have original concurrent jurisdiction over petitions for certiorari. The rule on hierarchy of courts determines the venue of appeals.[11] Such rule is necessary to prevent inordinate demands upon the Court's precious time and attention which are better devoted to matters within its exclusive jurisdiction, and to prevent further overcrowding of the Court's docket.[12] Thus, petitioner should have filed with the Court of Appeals its petition, not directly with this Court. While such rule may be relaxed for special and important reasons clearly and specifically set out in the petition, however, in the instant case, petitioner failed to discharge that burden.

Once again, we stress that the rules of procedure exist for a noble purpose, and to disregard such rules in the guise of liberal construction would be to defeat such purpose. Procedural rules are not to be disdained as mere technicalities. They may not be ignored to suit the convenience of a party. Adjective law ensures the effective enforcement of substantive rights through the orderly and speedy administration of justice. Rules are not intended to hamper litigants or complicate litigation. But they help provide for a vital system of justice where suitors may be heard following judicial procedure and in the correct forum. Public order and our system of justice are well served by a conscientious observance by the parties of the procedural rules.[13]

WHEREFORE, the instant petition is DISMISSED. Costs against petitioner.

SO ORDERED.

Puno, C.J., (Chairperson), Corona, Azcuna, and Garcia, JJ., concur.

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[1] Petition; Rollo, p. 4.

[2] Id., p. 165.

[3] Id., p. 67.

[4] Id., p. 105.

[5] Abacan, Jr. v. Northwestern University, Inc., G.R. No. 140777, April 8, 2005, 455 SCRA 136; Metro Transit Organization, Inc. v. Court of Appeals, G.R. No. 142133, November 19, 2002, 392 SCRA 229.

[6] Section 1, Rule 65 of the 1997 Rules of Civil Procedure, as amended.

[7] Acance v. Court of Appeals, G.R. No. 159699. March 16, 2005, 453 SCRA 548.

[8] Metro Transit Organization, Inc. v. Court of Appeals, supra, citing Zapata v. NLRC, 175 SCRA 56 (1989).

[9] Id., citing Seagull Shipmanagement and Transport, Inc. v. NLRC, 333 SCRA 236 (2000).

[10] Id., citing Zapata v. NLRC, supra.

[11] Sherwill Development Corporation v. Sitio Sto. Niño Residents Association, Inc., G.R. No. 158455, June 28,

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2005, 461 SCRA 517, citing Del Rosario v. Montaña, 430 SCRA 109 (2004).

[12] Id., citing Liga Ng Mga Barangay National v. Atienza, Jr., 420 SCRA 562 (2004); Microsoft Corporation v. Best Deal Computer Center Corporation, 389 SCRA 615 (2002).

[13] United Pulp and Paper Co., Inc. v. United Pulp and Paper Chapter-Federation of Free Workers, G.R. No. 141117, March 25, 2004, 426 SCRA 329, citing Kowloon House/Willy Ng v. Hon. Court of Appeals, G.R. No. 140024, June 18, 2003; Commissioner of Internal Revenue v. Court of Appeals, 351 SCRA 436 (2001).

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