

**JUNE PRILL BRETT, ASSISTED BY HER HUSBAND, JAMES BRETT,
PETITIONERS, VS. INTERMEDIATE APPELLATE COURT, MINISTER OF
NATURAL RESOURCES, HEIRS OF JOHN GUILLES, SR. AND MARIA
GUILLE...**

G.R. No. 74223. November 27, 1990

Ponente: REGALADO, J.

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REGALADO, J.:

These two consolidated petitions for review on certiorari under Rule 45 seek to annul the following decisions of respondent court, to wit: (1) In G.R. No. 74223, the decision[1] dated January 15, 1986 in AC-G.R. SP No. 05589 dismissing therein petitioner's original action for certiorari for failure to exhaust administrative remedies; and (2) In G.R. No. 77098, the decision[2] dated October 24, 1986 in CA-G.R. SP No. 09349 dismissing therein petitioners' petition for certiorari on the ground that there is a pending appeal by petitioners in the Office of the President and another similar petition pending with this Court.

I. The antecedental facts which spawned the filing of the cases below are hereunder set forth as synthesized by respondent court in the assailed decisions.[3]

1. G.R. No. 74223

On September 2, 1980, the Director of Mines and Geo-Sciences rendered a decision declaring and recognizing the preferential right of therein petitioner June Prill Brett to explore, develop, exploit and lease the area covered by her "MAMAKAR" mining claims situated at Sitio Palasaan, Barrio Suyoc, Municipality of Mankayan, Benguet. This decision was appealed by private respondents to the then Ministry of Natural Resources.

On October 6, 1982, respondent Minister of Natural Resources dismissed the appeal. From this dismissal, private respondents heirs of John and Maria Guilles interposed an appeal on November 4, 1982 to the Office of the President, docketed therein as MNR Case No. 5096, but failed to prosecute the same. Private respondents later filed their respective motions for reconsideration which, however, proved to be belated as the decision of respondent Minister had already become final and executory.

The finality of the decision notwithstanding, respondent Minister of Natural Resources rendered another decision in the same MNR Case No. 5096 on June 25, 1984, reversing and setting aside the decision of October 6, 1982 and declaring petitioner's "MAMAKAR" claims as null and void ab initio.

On July 25, 1984, petitioner sought the reconsideration of the decision and prayed for a status quo order. The Assistant Secretary for Legal Affairs of the Office of the Minister of Natural Resources issued the status quo order on August 20, 1984 and directed the respondents to answer the motion within five (5) days from receipt of the order. However, none of the respondents complied therewith.

On February 19, 1985, with the motion for reconsideration still unresolved, petitioner filed a petition for certiorari

and prohibition, with a prayer for preliminary injunction, before this Court, docketed as G.R. No. 69937, for the nullification of the decision of respondent Minister of Natural Resources dated June 25, 1984 and to restrain public respondent from further proceeding in said case. Petitioner contended that respondent Minister acted with grave abuse of discretion amounting to lack of jurisdiction in rendering said decision.

On February 27, 1985, this Court resolved to refer the case to the Court of Appeals (then Intermediate Appellate Court) for determination. On March 7, 1985, respondent court initially dismissed the petition for being premature inasmuch as petitioner had an unresolved motion for reconsideration pending in the Office of the Minister of Natural Resources.

On March 27, 1985, petitioner prayed for the reconsideration of the dismissal and informed respondent court that her motion for reconsideration had been denied by the Minister of Natural Resources on January 31, 1985, notice of which she received only on February 25, 1985. Petitioner also filed with this Court on March 1, 1985 an addendum to the petition giving the same information, not knowing that said petition had been referred to respondent court.

On April 10, 1985, respondent court reconsidered its decision dismissing the petition. Nevertheless, it thereafter ruled against petitioner, holding that petitioner failed to exhaust administrative remedies and for which the petition must be dismissed. It cited Section 50, Presidential Decree No. 463, as authority for its ruling, as follows:

"Sec. 50. Appeals - Any party not satisfied with the decision or order of the Director may within five (5) days from receipt thereof, appeal to the Secretary. Decisions of the Secretary are likewise appealable within five (5) days from receipt thereof by the affected party to the President of the Philippines whose decision shall be final and executory."

x x x

Corollarily, respondent court declared that it had no authority to grant petitioner's prayer for the issuance of a writ of preliminary injunction to enjoin the implementation of the questioned decision as it is precluded from doing so by Presidential Decree No. 605, thus:

"SECTION 1. No court of the Philippines shall have jurisdiction to issue any restraining order, preliminary injunction or preliminary mandatory injunction in any case involving or growing out of the issuance, approval or disapproval, revocation or suspension of, or any action whatsoever by the proper administrative official or body on concessions, licenses, permits, patents or public grants of any kind in connection with the disposition, exploitation, utilization, exploration and/or development of the natural resources of the Philippines."

Hence, the instant petition.

2. G.R. No. 77098

On March 24, 1986, after the Brett spouses filed the above-mentioned petition in this Court, James Brett wrote a letter to the newly appointed Minister of Natural Resources Ernesto Maceda praying that the former minister's decision of June 25, 1984 be rectified. In an order dated June 10, 1986, respondent Minister Maceda did set aside Minister Teodoro Peña's aforesaid decision and reinstated the ministry's original decision of October 6, 1982 and that of the Director of Mines in favor of Brett.

Upon being notified of Minister Maceda's decision against them, on June 19, 1986 petitioners filed with this Court in the pending case G.R. No. 74223 a petition to declare the order of June 10, 1986 issued by respondent Minister Maceda ineffectual, null, void and illegal for having been issued without jurisdiction.

Four days later, or on June 23, 1986, they also filed before respondent court a petition for certiorari, docketed as

CA-G.R. SP No. 09349, praying that respondents therein be enjoined from enforcing the order and that the same be declared null and void.

Petitioners likewise sent an appeal to the Office of the President, docketed as O.P. Case No. 3360, praying for the reversal of the order of June 10, 1986. Acting thereon, said office, through Assistant Executive Secretary Magdangal Elma, ordered the Ministry to elevate the records of MNR Case No. 5096, the appellant to pay the appeal fee of P50.00, and the parties to file their respective memoranda.

Subsequently ruling on the petition in CA-G.R. SP No. 09349 in a decision dated October 24, 1986, respondent court found merit in said petition but nonetheless dismissed the same, taking note of the fact that there is an appeal by petitioners of respondent minister's decision pending in the Office of the President. Furthermore, it cited Section 17 of the Interim Rules of Court which provides that "no petition for certiorari may be filed in the Intermediate Appellate Court if another similar petition has been filed or is still pending in the Supreme Court," a violation of the rule being a ground for the dismissal of both petitions.

On these facts rests this second petition.

II. Shorn of unnecessary details, the issues formulated and raised by the parties in the aforesaid two petitions, and their respective contentions thereon, are succinctly discussed hereunder seriatim.

1. G.R. No. 74223

In her so-called assignment of errors, June Prill Brett faults respondent court for not holding that respondent minister acted without or in excess of jurisdiction and with grave abuse of discretion and asks us to resolve -

- (a) Whether or not respondent court erred in dismissing petitioner's original action for certiorari on the ground of non-exhaustion of administrative remedies; and
- (b) Whether or not respondent court erred in invoking Presidential Decree No. 605 to deny petitioner's prayer for the issuance of a writ of preliminary injunction.[4]

In amplification of her complaint, June Prill Brett contends that the case at bar is an instance where resort to administrative remedies was no longer necessary and advisable since it is one where the recognized exceptions to the doctrine come into play. She manifestly refers to, among the other exceptions, Minister Peña's alleged patent lack of jurisdiction in reversing his previous decision which she claims had already become final and executory. Concerning respondent court's invocation of Presidential Decree No. 605, she submits that the same does not authorize the courts to shed or abdicate their inherent judicial authority.

On the other hand, all of the private respondents make the riposte that Section 50, Presidential Decree No. 463 provides for and thereby constitutes a plain, speedy and adequate remedy to contest and seek a review and reversal of the decision of Minister Peña. June Prill Brett having failed to avail of the same, she cannot invoke the jurisdiction of the courts. As an offshoot, private respondents point out that her failure to perfect a timely appeal to the Office of the President rendered the June 25, 1984 decision of Minister Peña final and executory. Minister Maceda, therefore, overstepped his authority in rendering the June 10, 1986 decision which should be declared null and void ab initio.

2. G.R. No. 77098

On their part, the heirs of John Guilles, Sr. desire a resolution on whether or not respondent court erred in dismissing their original action for certiorari on the ground of the pendency of their appeal in the Office of the President and a similar petition with this Court.[5]

Said heirs explain that what they did was only to write a personal letter to the President complaining about the alleged unwarranted action by respondent Minister Maceda. The letter, so it is alleged, was unsubscribed and unsworn and, therefore, should not be considered as "a remedy in the course of law." With regard to the petition filed with this Court, these heirs of John Guilles, Sr. claim that the same was intended only to be a manifestation but was erroneously captioned as a "petition." In any event, they insist that their case falls under the exceptions to the doctrine of exhaustion of administrative remedies, the order of June 10, 1986 having been issued without jurisdiction and without giving them an opportunity to be heard.

June Prill Brett, on the other hand, adheres to the findings of respondent court. She moreover adopts the explanation made by Minister Maceda in his comment filed in G.R. No. 74223 to the effect that the order of June 10, 1986 was issued in the exercise of his office's inherent power to correct its orders so as to make them conformable to law and justice and under respondent minister's authority as alter ego of the President pursuant to Section 2, Article IV of Proclamation No. 3, otherwise known as the "Freedom Constitution of the Philippines," to review all contracts, concessions, permits or other forms of privileges for the exploration, development, exploitation or utilization of natural resources entered into, granted, issued or acquired before the date of said proclamation, and when the national interest requires, to amend, modify or revoke them.

III. We find merit in and consequently sustain the petition in G.R. No. 74223.

It is true that in our jurisdiction, unless otherwise provided by law or required by public interest, before bringing an action in or resorting to the courts of justice, all remedies of administrative character affecting or determinative of the controversy at that level should first be exhausted by the aggrieved party.[6]

It is likewise true, however, that the doctrine of exhaustion of administrative remedies is not a hard and fast rule.[7] Foremost among the exceptions is when the assailed act, order or decision is patently illegal or was performed or issued without jurisdiction or in excess of jurisdiction.[8]

In the case at bar, it is our considered opinion that the decision in question, dated June 25, 1984, is of such a defective nature. The decision, it superseded, dated October 6, 1982, was already final and executory, the belated motions for reconsideration by all the private respondents in G.R. No. 74223 being patently time-barred. Of course, the aforesaid heirs of John and Maria Guilles did file a timely appeal but they likewise failed to prosecute the same. It is obvious and indisputable, therefore, that respondent Minister Peña gravely abused his discretion in reversing his original decision which precisely prompted June Prill Brett to forthwith invoke the jurisdiction of the courts.

The circumstance that the June 25, 1984 decision was rendered without jurisdiction is itself confirmed by respondent court in CA-G.R. SP No. 09349 which is the subject of our review in G.R. No. 77098, to wit:

"The decision dated October 6, 1982 of the Minister of Natural Resources in MNR Case No. 5096 which the Heirs of Guilles received on October 25, 1982, became final on October 30, 1982 since it was not appealed to the Office of the President pursuant to Section 50 of P.D. No. 463, which provides:

‘Sec. 50. Any party not satisfied with the decision or order of the Director may, within five (5) days from receipt thereof, appeal to the Secretary. Decisions of the Secretary are likewise appealable within five (5) days from receipt thereof by the affected party to the President of the Philippines whose decision shall be final and executory. (P.D. 463)’

"Instead of pursuing their appeal in the Office of the President, the petitioners filed a belated motion for reconsideration in the Ministry after Minister Peña had lost jurisdiction to review, revise, or reverse his decision because it had already become final. Consequently, his amended decision of June 25, 1984 was void for lack of jurisdiction." [9]

Indeed, as therein petitioner June Prill Brett pointed out, the necessity of giving finality to judgments that are not void is self-evident. The interests of society impose it. The opposing view might make litigation more unendurable than the wrongs it is intended to redress. It would create doubt, real or imaginary, and controversy would constantly arise as to what the judgment or order was. Public policy and sound practice demand that, at the risk of occasional errors, judgments of courts should become final and executory at some definite time fixed by law;^[10] and this rule holds true over decisions rendered by administrative bodies exercising quasi-judicial powers.^[11]

It is noteworthy that none of the private respondents in G.R. No. 74223 ever mentioned anything in their pleadings filed with this Court nor squarely met June Prill Brett's allegation that Minister Peña's decision of October 6, 1982 had become final and executory. They were obviously avoiding the issue, mindful that the same would be detrimental to their case. That allegation of the decision being final and executory was, however, established as a fact by respondent court. We certainly cannot gloss over such finding which has remained uncontroverted and undisputed by said private respondents.

Going back to the subject of non-exhaustion of administrative remedies, June Prill Brett's failure to appeal to the Office of the President from the decision of Minister Peña cannot also be considered a violation of the rule as the latter is the alter ego of the President and, under the doctrine of qualified political agency, his action is deemed to be that of the President.^[12]

Parenthetically, while the original action for certiorari cannot be made a substitute for appeal,^[13] Minister Peña's lack of jurisdiction to render the questioned decision,^[14] as well as the nullity of the decision itself,^[15] constitute the exceptions which would justify June Prill Brett's resort to the special civil action for certiorari in lieu of the appeal provided for by Section 50 of Presidential Decree No. 463. We may also add to these considerations the urgency for judicial intervention^[16] called for by the fact that, as specifically provided in said provision itself, the decision of respondent Minister of Natural Resources becomes executory despite an appeal to the Office of the President.

We shall not, for the nonce, pass judgment on respondent court's refusal to restrain the execution of respondent Minister Peña's decision under the authority of Presidential Decree No. 605 since the resolution of the issue raised by June Prill Brett on the matter, i.e., that it does not authorize the court to divest itself of its inherent judicial authority, would entail an inquiry into the constitutional validity of the decree which we are not disposed to do in the present case since the controversy can be resolved on grounds other than constitutional.^[17] For that matter, under our disposition of these cases there is no necessity for resolving this issue.

All told, we hold that respondent court erred in dismissing June Prill Brett's action for certiorari for failure to exhaust administrative remedies.

IV. We are, on the other hand, constrained to reject and deny the petition in G.R. No. 77098 for being devoid of merit.

Even conceding that the pleading filed by the heirs of John Guilles, Sr. with this Court was only a manifestation and not a petition to annul the order of Minister Maceda, it is of record that said heirs have a perfected and pending appeal with the Office of the President. Whether the appeal was perfected by filing a formal notice of appeal or a mere unsworn and unsubscribed personal letter is of no moment. The fact is that the Office of the President has taken cognizance of the case as one for its appellate review and has in fact ordered the parties to file their respective memoranda therein.

Under the doctrine of primary jurisdiction, courts cannot and will not determine a controversy involving a

question which is within the jurisdiction of an administrative tribunal, especially where the question demands the exercise of sound administrative discretion requiring the special knowledge, experience and services of the administrative tribunal to determine technical and intricate matters of fact and where a uniformity of ruling is essential to comply with the purposes of the regulatory statute administered.[18]

Applying the principle in the case at bar, respondent court correctly dismissed the petition for certiorari of the heirs of John Guilles, Sr. on the ground that there is a pending appeal filed by said heirs in the Office of the President. Indeed, the award of mining claims is more of an executive, and less of a judicial, function. Also, the issue as to the validity of the authority under which then respondent Minister Ernesto Maceda issued the order of June 10, 1986, which reversed the void decision of June 25, 1984, can be competently determined by the executive department at the initial stage of the quasi-judicial proceeding therein.

While it may plausibly be contended that the case for the heirs of John Guilles, Sr. could also fall under the exceptions to the doctrine of exhaustion of administrative remedies, just like that of June Prill Brett in G.R. No. 74223 and thereby justify their immediate coming to court, there is a marked difference in their respective positions. Petitioner June Prill Brett, in G.R. No. 74223, never appealed to the Office of the President, unlike the heirs of John Guilles, Sr. in G.R. No. 77098. This spelled the difference.

In any event, the order of respondent Minister Maceda is only confirmatory of the decision of October 6, 1982. It in fact reinstated the said decision and noted that it had become final and executory for which reason the June 25, 1984 decision was void and of no force and effect.

WHEREFORE, judgment is hereby rendered AFFIRMING the assailed decision of respondent Court of Appeals in G.R. No. 77098 and ANNULING its decision in G.R. No. 74223. The decision of respondent Minister Teodoro Peña, dated October 6, 1982, is also hereby REINSTATED without prejudice to the appeal in the Office of the President taking its due course and the consequent adjudication thereof.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, and Sarmiento, JJ., concur.
Paras, J., no part. Son is with Sycip.

[1] Penned by Justice Luis A. Javellana, with Justices Edgardo L. Paras and Vicente V. Mendoza concurring.

[2] Penned by Justice Carolina C. Griño-Aquino, with Justices Leonor Ines-Luciano and Emeterio C. Cui, concurring.

[3] G.R. No. 74223, Rollo, 19-20; G.R. No. 77098, Rollo, 15-17.

[4] Ibid., 5.

[5] Ibid., 11.

[6] Miguel, et al. vs. Vda. de Reyes, et al., 93 Phil. 542 (1953); Pestañas, et al. vs. Dyogi, et al., 81 SCRA 574 (1978).

[7] Fernandez, et al. vs. Cuneta, etc., et. al., 108 Phil. 427 (1960); National Development Company, et al. vs. Collector of Customs of Manila, 118 Phil. 1265 (1963).

[8] Visca vs. Secretary of Agriculture and Natural Resources, et al., 173 SCRA 222 (1989).

[9] Rollo, G.R. No. 77098, 18.

[10] Dy Cay, etc. vs. Crossfield & O'Brien, 38 Phil. 521 (1918); Layda, et al. vs. Legazpi, et al., 39 Phil. 83 (1918); Contreras, et al. vs. Felix, et al., 78 Phil. 570 (1947).

[11] San Luis, et al. vs. Court of Appeals, et al., 174 SCRA 258 (1989).

[12] Gonzales vs. Hechanova, etc., et al., 9 SCRA 230 (1963); Santos, etc., et al. vs. Secretary of Public Works and Communications, 19 SCRA 637 (1967); Almine vs. Court of Appeals, et al., G.R. No. 80719, September 26, 1989.

[13] Lobete vs. Sundiam, etc., et al., 123 SCRA 95 (1983).

[14] Aguilar vs. Tan, et al., 31 SCRA 205 (1970); Bautista, et al. vs. Sarmiento, etc., et al., 138 SCRA 587 (1985).

[15] Marcelo vs. De Guzman, et al., 114 SCRA 657 (1982).

[16] Vda. de Saludes vs. Pajarillo, et al., 78 Phil. 754 (1947).

[17] Alger Electric, Inc. vs. Court of Appeals, et al., 135 SCRA 37 (1985); Filipinas Marble Corporation vs. Intermediate Appellate Court, et al., 142 SCRA 180 (1986).

[18] Qualitrans Limousine Service, Inc. vs. Royal Class Limousine Service, et al., G.R. Nos. 79886-87, November 22, 1989.

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