Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

PEÑAFRANCIA SUGAR MILL, INC., Petitioner,	**G.R. No. 208660**
- versus -	Present:
SUGAR REGULATORY ADMINISTRATION, Respondent.	CARPIO, *J.*, Acting Chief Justice,* Chairperson, BRION, DEL CASTILLO, PEREZ, and PERLAS-BERNABE, *JJ.*
	Promulgated: MAR 05 2014

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RESOLUTION

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[1] are the Decision[2] dated April 19, 2013 and the Resolution[3] dated July 31, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 124158 which nullified and set aside the Orders[4] dated November 14, 2011 and February 28, 2012 of the Regional Trial Court (RTC) of Naga City, Branch 24 (Naga City-RTC), ordered the dismissal of the case *a quo* on the ground of forum-shopping, and enjoined the Naga City-RTC from further proceeding with the trial thereof.

The Facts

Petitioner Peñafrancia Sugar Mill, Inc. (PENSUMIL), a corporation duly established and existing under Philippine laws, is engaged in the business of milling sugar,[5] while respondent Sugar Regulatory

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* Designated Acting Chief Justice per Special Order No. 1644 dated February 25, 2014.

1 *Rollo*, pp. 19-37.

2 Id. at 43-49. Penned by Associate Justice Amelita G. Tolentino, with Associate Justices Ramon R. Garcia and Danton Q. Bueser, concurring.

3 Id. at 51-52. Penned by Associate Justice Amelita G. Tolentino, with Associate Justices Ramon R. Garcia and Socorro B. Inting, concurring.

4 Id. at 84-87 and 82-83, respectively. Penned by Presiding Judge Bernhard B. Beltran.

5 Id. at 21.

Administration (SRA) is a government entity created pursuant to Executive Order No. 18, series of 1986[6] (EO 18, s. 1986) which is tasked to uphold the policy of the State "to promote the growth and development of the sugar industry through greater and significant participation of the private sector, and to improve the working condition of laborers."[7]

On September 14, 1995, the SRA issued Sugar Order No. 2, s. 1995-1996.[8] The said Sugar Order provided, *inter alia*, that from September 11, 1995 until August 31, 2005, a lien of ₱2.00 per LKG-Bag shall be imposed on all raw sugar *quedan*-permits, as well as on any other form of sugar, such as Improved Raw, Washed, *Blanco Directo*, Plantation White, or Refined, in order to fund the Philippine Sugar Research Institute, Inc. (PHILSURIN).[9] It also provided that "[t]he said lien shall be paid by way of Manager's Checks in the name of PHILSURIN to be collected by the mill company concerned upon withdrawal of the physical sugar and remitted to PHILSURIN not later than fifteen (15) days from receipt thereof."[10] Thereafter, the SRA released two (2) issuances extending the effects of the aforesaid Sugar Order, namely: (*a*) Sugar Order No. 8, s. 2004-2005[11] which extended the imposition of the lien until August 31, 2010; and (*b*) Sugar Order No. 11, s. 2009-2010[12] which extended such imposition until August 31, 2015 (Assailed Sugar Orders).

Questioning the validity of the Assailed Sugar Orders, PENSUMIL filed a petition for prohibition and injunction dated May 20, 2011 against the SRA and PHILSURIN before the Naga City-RTC docketed as Special Civil Case 2011-0061 (Naga Case).[13] PENSUMIL alleged that the Assailed Sugar Orders are unconstitutional in that: (*a*) they were issued beyond the powers and authority granted to the SRA by EO 18, s. 1986; and (*b*) the amount levied by virtue of the Assailed Sugar Orders constitutes public funds and thus, cannot be legally channelled to a private corporation such as PHILSURIN.[14]

In response, the SRA and PHILSURIN filed their respective motions to dismiss on the ground of forum-shopping. The SRA alleged that there is a pending case for declaratory relief in the Quezon City-RTC docketed as

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6 Entitled "CREATING A SUGAR REGULATORY ADMINISTRATION." (See id. at 22.)

7 Executive Order No. 18 (1986), Section 1.

8 Entitled "ESTABLISHMENT OF A LIEN OF ₱2.00 PER LKG.-BAG ON ALL SUGAR PRODUCTION TO FUND THE PHILIPPINE SUGAR RESEARCH INSTITUTE FOUNDATION, INC. (PHILSURIN)." (See *rollo*, pp. 112-113.)

9 Sugar Order No. 2 (1995-1996), Section 1. (See id. at 112.)

10 Sugar Order No. 2 (1995-1996), Section 2. (See id. at 113.)

11 Entitled "EXTENSION OF THE EFFECTIVITY OF SUGAR ORDER NO. 2, SERIES OF 1995-1996, PROVIDING FOR THE ESTABLISHMENT OF A LIEN OF PHP 2.00 PER LKG-BAGS ON ALL SUGAR PRODUCTION TO FUND THE PHILIPPINE SUGAR RESEARCH INSTITUTE FOUNDATION, INC.-(PHILSURIN)." (See id. at 118-119.)

12 Entitled "EXTENSION OF EFFECTIVITY OF SUGAR ORDER NO. 8, SERIES OF 2004-2005, PROVIDING FOR THE ESTABLISHMENT OF A LIEN OF PHP 2.00 PER LKG-BAGS ON ALL SUGAR PRODUCTION TO FUND THE PHILIPPINE SUGAR RESEARCH INSTITUTE FOUNDATION, INC.-(PHILSURIN)." (See id. at 120-121.)

13 Id. at 88-109.

14 Id. at 94.

Civil Case Q95-25171 (QC Case) and that the main issue raised in both the Naga and QC Cases is the validity of the Assailed Sugar Orders. For its part, PHILSURIN noted the existence of a pending collection case that it filed against PENSUMIL before the Makati City-RTC docketed as Civil Case 04-239 (Makati Case). It contended that the rights asserted and the reliefs prayed for in the Naga and Makati Cases are founded on the same facts such that a final judgment in one will constitute *res judicata* on the other.[15]

The Naga City-RTC Ruling

In an Order[16] dated November 14, 2011, the Naga City-RTC denied SRA and PHILSURIN's motions to dismiss. The Naga City-RTC held that it was PHILSURIN and not PENSUMIL that initiated the Makati Case and that the latter only raised the validity of the Assailed Sugar Orders as a defense.[17] The Naga City-RTC found that although the Naga and Makati Cases would require the appreciation of related facts, their respective resolutions would nevertheless result in different outcomes, considering that the former is a petition for prohibition and injunction while the latter is a simple collection case.[18]

Both the SRA and PHILSURIN moved for reconsideration but the same were denied by the Naga City-RTC in an Order[19] dated February 28, 2012. The Naga City-RTC reiterated its finding that PENSUMIL did not commit forum-shopping. It also held that there is no identity of parties between the Naga and QC Cases since PENSUMIL is not a party in the latter case. It explained that the fact that the QC Case involves the validity of the Assailed Sugar Orders does not preclude PENSUMIL's right to institute an action to protect its own interests against the same.[20]

Aggrieved, the SRA filed a petition for *certiorari* before the CA. Records are bereft of any showing that PHILSURIN elevated the matter to the CA.

The CA Ruling

In a Decision[21] dated April 19, 2013, the CA nullified and set aside the Orders of the Naga City-RTC and ordered the dismissal of the case *a quo* on the ground of forum-shopping. Accordingly, it enjoined the Naga City-

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15 Id. at 84.
16 Id. at 84-87.
17 Id. at 85.
18 Id. at 86.
19 Id. at 82-83.
20 Id. at 83.
21 Id. at 43-49.

RTC from further proceeding with the trial of the case.[22] Contrary to the Naga City-RTC's findings, the CA found that while PENSUMIL is indeed not a party in the QC Case, the determination of the validity of the Assailed Sugar Orders therein would nevertheless amount to *res judicata* in this case.[23]

Dissatisfied, PENSUMIL moved for reconsideration which was, however, denied by the CA in a Resolution[24] dated July 31, 2013. Hence, this petition.

The Issue Before the Court

The primordial issue for the Court's resolution is whether or not PENSUMIL committed forum-shopping in filing the case *a quo*.

At this point, the Court deems it worthy to note that on November 4, 2013, and during the pendency of the instant petition, the SRA has issued Sugar Order No. 5, s. 2013-2014,[25] which revoked the Assailed Sugar Orders. As a result thereof, all mill companies were directed to cease from collecting the lien of ₱2.00 per LKG-Bag from all sugar production, effective immediately.[26]

The Court's Ruling

The case at bar should be dismissed for having become moot and academic.

A case or issue is considered moot and academic when it ceases to present a justiciable controversy by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use. In such instance, there is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness.[27] This is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced.[28]

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22 Id. at 48.

23 See id. at 47-48.

24 Id. at 51-52.

25 Entitled "REVOCATION OF SUGAR ORDER NO. 2, SERIES OF 1995-1996, SUGAR ORDER NO. 8, SERIES OF 2004-2005 AND SUGAR ORDER NO. 11, SERIES OF 2009-2010 RE: ESTABLISHMENT AND EXTENSION OF A LIEN OF ₱2.00 PER LKG-BAG ON ALL SUGAR PRODUCTION TO FUND THE PHILIPPINE SUGAR RESEARCH INSTITUTE FOUNDATION, INC. (PHILSURIN)." (See id. at 312.)

26 See Sections 2 and 3, Sugar Order No. 5 (2013-2014); id.

27 *Carpio v. CA*, G.R. No. 183102, February 27, 2013, 692 SCRA 162, 174, citing *Osmeña III v. Social Security System of the Philippines*, 559 Phil. 723, 735 (2007).

28 *Philippine Savings Bank (PSBANK) v. Senate Impeachment Court*, G.R. No. 200238, November 20, 2012, 686 SCRA 35, 37-38, citing *Sales v. Commission on Elections*, 559 Phil. 593, 596-597 (2007).

In this case, the supervening issuance of Sugar Order No. 5, s. 2013-2014 which revoked the effectivity of the Assailed Sugar Orders has mooted the main issue in the case *a quo* – that is the validity of the Assailed Sugar Orders. Thus, in view of this circumstance, resolving the procedural issue on forum-shopping as herein raised would not afford the parties any substantial relief or have any practical legal effect on the case.

On the basis of the foregoing, the Court finds it appropriate to abstain from passing upon the merits of this case where legal relief is no longer needed nor called for.

WHEREFORE, the petition is **DISMISSED** for being moot and academic.

SO ORDERED.

ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Acting Chief Justice
Chairperson

ARTURO D. BRION
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO
Acting Chief Justice