

EN BANC

[G.R. No. 223395, December 04, 2018]

RENATO V. PERALTA, PETITIONER, VS. PHILIPPINE POSTAL CORPORATION (PHILPOST), REPRESENTED BY MA. JOSEFINA MDELACRUZ IN HER CAPACITY AS POSTMASTER GENERAL AND CHIEF EXECUTIVE OFFICER, THE BOARD OF DIRECTORS OF PHILPOST, REPRESENTED BY ITS CHAIRMAN CESAR N. SARINO, RESPONDENTS.

DECISION

TIJAM, J.:

Assailed in this Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court is the Decision^[2] dated July 24, 2015 and the Resolution^[3] dated March 8, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 103151.

The Antecedents

On May 10, 2014, respondent Philippine Postal Corporation (PhilPost) issued a stamp commemorating Iglesia ni Cristo's (INC's) Centennial Celebration. The design of the stamp showed a photo of INC founder, the late Felix Y. Manalo (Manalo) with the designation on the left side containing the words "*Felix Y. Manalo, 1886-1963 First Executive Minister of Iglesia ni Cristo*", with the Central Temple of the religious group at the background. At the right side of Manalo's photo is the INC's centennial logo which contained a torch enclosed by a two concentric circles containing the words "*IGLESIA NI CRISTO CENTENNIAL 1914-2014*".^[4]

On June 16, 2014, petitioner Renato V. Peralta (petitioner) filed a complaint^[5] for injunction with the Regional Trial Court (RTC), Br. 33 of Manila, assailing the constitutionality of the printing, issuance and distribution of the INC commemorative centennial stamps, allegedly paid for by respondent PhilPost using public funds.

In his complaint, petitioner alleged that the printing and issuance of the INC commemorative stamp involved disbursement of public funds, and violated. Section 29(2) of Article VI^[6] of the 1987 Constitution. He argued that respondents' act of releasing the said stamps was unconstitutional because it was tantamount to sponsorship of a religious activity; it violated the separation of the Church and the State; and the non-establishment of religion clause. Thus, petitioner prayed that respondents be restrained from issuing and distributing the INC commemorative stamps.^[7]

After service of summons to respondents PhilPost and its Board of Directors, and a hearing on the petitioner's application for Temporary Restraining Order (TRO), the RTC denied the same in its Order^[8] dated June 23, 2014.

Respondents filed their Answer,^[9] maintaining that no public funds were disbursed in the printing of the INC commemorative stamps. They alleged that there was a Memorandum of Agreement^[10] (MOA) dated May 7, 2014 executed between PhilPost and INC, where it was provided that the costs of printing will be borne by INC. They claimed that the proceeds of the sale of the stamps will not redound to the sole benefit of INC.^[11] The printing, according to them, is part of PhilPost's philatelic products, which will promote tourism in the country because it will attract people from all over the world.^[12] They maintained that any sectarian benefit to the INC is merely incidental. As to petitioner's prayer for injunctive relief, respondents contended that petitioner failed to demonstrate irreparable injury, and that he cannot seek to restrain the printing and distribution of the stamps as these were already printed prior to the filing of the complaint.

On July 25, 2014, the RTC issued an Order,^[13] denying petitioner's application for the issuance of a preliminary injunction and dismissing the action. It ruled that it was not a taxpayer's suit and that it did not violate Section 29 (2), Article VI of the 1987 Philippine Constitution.^[14]

Petitioner appealed the RTC's decision with the CA, but the same was denied in its July 24, 2015 decision. The CA ruled that although the action is considered as a taxpayer's suit, the printing and issuance of the commemorative stamp did not violate the Constitution.^[15]

Aggrieved, petitioner filed a motion for reconsideration^[16] of the CA's decision, but the same was denied for lack of merit in the CA's March 8, 2016 Resolution.

Hence, the instant petition.

The Court's Ruling

Petitioner's arguments

Petitioner reiterates his argument that the CA failed to judiciously analyze the design of the INC commemorative stamp as to conclude that the same is "*more historical than religious*". He argues that the INC stamp, which commemorates the 100th year founding of INC, particularly the INC Central Temple and centennial logo, is purely religious. He explains that in *Aglipay vs. Ruiz*,^[17] the stamp deleted the grapevine with stalks of wheat in its design, and merely contained the Philippine map and the location of the City of Manila, with inscription, "*Seat XXXIII International Eucharistic Congress, February 3-7, 1937*". For petitioner, what was emphasized in the stamp subject of the case of *Aglipay vs. Ruiz*^[18] was Manila, and not the Eucharistic Congress. Meanwhile, in this case, the INC stamp purportedly emphasized the INC as a religious institution.

Petitioner likewise cited the MOA between INC and respondent PhilPost to emphasize the religious purpose of printing the stamp.

PhilPost's comment

For respondents' part, they maintained the constitutionality of the stamps issued. First, they claimed that the printing, issuance and distribution of the assailed INC commemorative stamps can neither be restrained nor enjoined, because they have become *fait accompli*.^[19]

Respondents also questioned petitioner's standing as a taxpayer. They point out that there is no illegal disbursement of public funds, as the cost of printing and issuance of the assailed commemorative stamps was exclusively borne by INC for its consumption, and no public funds were disbursed. The remaining pieces of stamps were used for sale by PhilPost to its postal clients. It emphasized that the sales proceeds were not intended to support the INC as a religious sect, but to promote the country as the chosen venue of an international commemorative event, given INC's presence in other countries. Respondents also pointed out that petitioner has not shown that he will suffer a direct injury on account of the printing and issuance of the INC commemorative stamps. Respondents also agreed with the findings of the CA that there is intrinsic historical value in the design of the INC stamp, considering that INC is a Filipino institution.^[20]

Lastly, respondents contend that Section 29(2), Article VI of the 1987

Constitution does not apply, as it pertains to the Legislative Department. Respondents alleged that the facts in the cases of *Aglipay vs Ruiz* and *Manosca vs. Court of Appeals*^[21] are different from the case at bar. In *Aglipay*, the funds originated from the Insular Treasury - from funds not otherwise appropriated. Meanwhile, *Manosca* pertained to an expropriation case, hence, entailed appropriation of public funds. In this case, however, respondents emphasized that PhilPost is a government owned and controlled corporation (GOCC), which operates on its own capital. Thus, when INC sought the printing of the assailed stamps, from its own funds and for its primary use, the prohibition was not violated. It alleged that the printing of the INC stamps was done as a fund-raising activity, and not to endorse or benefit any religion.

Based from the aforesaid arguments of the parties, the issue of this case centers on the constitutionality of the respondents' act in issuing and selling postage stamps commemorating the INC's centennial celebration.

The petition lacks merit.

Procedural Aspect -

It is doctrinal^[22] that the power of judicial review is subject to the following limitations, *viz*: (1) there must be an actual case or controversy calling for the exercise of judicial power; (2) the constitutionality of the questioned act must be raised by the proper party, *i.e.*, the person challenging the act must have the standing to question the validity of the subject act or issuance; otherwise stated, he must have a personal and substantial interest in the case such that he has sustained, or will sustain, direct injury as a result of its enforcement; (3) the question of constitutionality must be raised at the earliest opportunity; and (4) the issue of constitutionality must be the very *lis mota* (the cause of the suit or action) of the case, *i.e.*, the decision on the constitutional or legal decision must be necessary to the determination of the case itself.

Of these four, the first and second conditions will be the focus of Our discussion.

Actual case or controversy -

Whether under the traditional or expanded setting, the Court's judicial review power, pursuant to Section 1, Article VIII of the Constitution, is confined to actual cases or controversies. We expounded on this requisite in *SPARK, et. al. v. Quezon City, et. al.*,^[23] thus:

An actual case or controversy is one which involves a conflict of legal rights, an assertion of opposite legal claims, susceptible of judicial resolution as distinguished from a hypothetical or abstract difference or dispute. In other words, there must be a contrariety of legal rights that can be interpreted and enforced on the basis of existing law and jurisprudence. According to recent jurisprudence, in the Court's exercise of its expanded jurisdiction under the 1987 Constitution, this requirement is simplified by merely requiring a *prima facie* showing of grave abuse of discretion in the assailed governmental act.

Corollary to the requirement of an actual case of controversy is the requirement of ripeness. A question is ripe for adjudication when the act being challenged has had a direct adverse effect on the individual challenging it. For a case to be considered ripe for adjudication, it is a prerequisite that something has then been accomplished or performed by either branch before a court may come into the picture, and the petitioner must allege the existence of an immediate or threatened injury to himself as a result of the challenged action. He must show that he has sustained or is immediately in danger of sustaining some direct injury as a result of the act complained of. [Citations omitted.]

Applying these principles, this Court finds that there exists an actual justiciable controversy in this case.

Here, it is evident that PhilPost - under the express orders of then President Benigno Aquino III (President Aquino III), through Proclamation No. 815 printed, issued and sold the INC commemorative stamps. PhilPost's act gave rise to petitioner's injunction suit in which he made the following allegations: (1) the printing of the INC commemorative stamps violated Sec. 29(2), Art. VI of the 1987 Constitution; and (2) the purpose of the stamp as indicated in the MOA is "tantamount to sponsorship" of a religious activity, violative of the non-establishment clause. These assertions are no longer hypothetical in nature, but already amount to a legal claim susceptible for adjudication.

Respondents claim that the Injunction suit filed by petitioner has become moot since the acts sought to be enjoined - printing, issuance and distribution of the INC commemorative stamps was *fait accompli*.^[24] They anchored their claim on Our ruling in *Go v. Looyuko*,^[25] which essentially states that when the events sought to be prevented by injunction have already happened, nothing more could be enjoined.

We clarify.

While this Court agrees that the issue on the remedy of injunction availed of by the petitioner may no longer be viable to enjoin PhilPost's acts, considering that the act sought to be enjoined already transpired, this does not necessarily mean that the question on the constitutionality of the said acts would automatically be rendered academic.

It is precisely PhilPost's issuance, printing and sale of the INC commemorative stamps that created a justiciable controversy since the said acts allegedly violated Sec. 29(2), Art. VI of the 1987 Constitution. Had the petitioner filed the injunction suit prior to the implementation of Proclamation No. 815, any resolution by this Court on the question of PhilPost's printing of the INC commemorative stamps would merely be an advisory opinion, veritably binding no one, for it falls beyond the realm of judicial review.

Nonetheless, even if the case has indeed been rendered moot, this Court can still pass upon the main issue. As We have pronounced in the case of *Prof David v. Pres. Macapagal-Arroyo*,^[26]

[T]he moot-and-academic principle is not a magical formula that automatically dissuades courts from resolving cases, because they will decide cases, otherwise moot and academic, if they find that: (a) there is a grave violation of the Constitution; (b) the situation is of exceptional character, and paramount public interest is involved; (c) the constitutional issue raised requires formulation of controlling principles to guide the bench, the bar, and the public; or (d) a case is capable of repetition yet evading review.^[27]

This Court, in *Mattel, Inc. v. Francisco, et. al.*,^[28] enumerated several cases where the exceptions to the moot-and-academic principle were applied; thus:

xxx in *Constantino v. Sandiganbayan (First Division)*,^[29] Constantino, a public officer, and his co-accused, Lindong, a private citizen, filed separate appeals from their conviction by the *Sandiganbayan* for violation of Section 3(e) of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act. While Constantino died during the pendency of his appeal, the Court still ruled on the merits thereof, considering the exceptional character of the appeals of Constantino and Lindong in relation to each other; that is, the two petitions were so intertwined that the absolution of the deceased Constantino was determinative of the absolution of his co-accused Lindong.^[30]

In *Public Interest Center, Inc. v. Elma*,^[31] the petition sought to declare as null and void the concurrent appointments of Magdangal B. Elma as Chairman of the Presidential Commission on Good Government (PCGG) and as Chief Presidential Legal Counsel (CPLC) for being contrary to Section 13, Article VII and Section 7, par. 2, Article IX-B of the 1987 Constitution. While Elma ceased to hold the two offices during the pendency of the case, the Court still ruled on the merits thereof, considering that the question of whether the PCGG Chairman could concurrently hold the position of CPLC was one capable of repetition.^[32]