

SECOND DIVISION

[G.R. No. 170463, February 02, 2011]

**THE BOARD OF TRUSTEES OF THE GOVERNMENT SERVICE
INSURANCE SYSTEM AND WINSTON F. GARCIA, IN HIS
CAPACITY AS GSIS PRESIDENT AND GENERAL MANAGER,
PETITIONERS, VS. ALBERT M. VELASCO AND MARIO I. MOLINA,
RESPONDENTS.**

D E C I S I O N

CARPIO, J.:

The Case

This is a petition for review^[1] of the 24 September 2004 Decision^[2] and the 7 October 2005 Order^[3] of the Regional Trial Court of Manila, Branch 19 (trial court), in Civil Case No. 03-108389. In its 24 September 2004 Decision, the trial court granted respondents Albert M. Velasco^[4] and Mario I. Molina's^[5] (respondents) petition for prohibition. In its 7 October 2005 Order, the trial court denied petitioners Board of Trustees of the Government Service Insurance System (GSIS) and Winston F. Garcia's (petitioners) motion for reconsideration.

The Facts

On 23 May 2002, petitioners charged respondents administratively with grave misconduct and placed them under preventive suspension for 90 days.^[6] Respondents were charged for their alleged participation in the demonstration held by some GSIS employees denouncing the alleged corruption in the GSIS and calling for the ouster of its president and general manager, petitioner Winston F. Garcia.^[7]

In a letter dated 4 April 2003, respondent Mario I. Molina (respondent Molina) requested GSIS Senior Vice President Concepcion L. Madarang (SVP Madarang) for the implementation of his step increment.^[8] On 22 April 2003, SVP Madarang denied the request citing GSIS Board Resolution No. 372 (Resolution No. 372)^[9] issued by petitioner Board of Trustees of the GSIS (petitioner GSIS Board) which approved the new GSIS salary structure, its implementing rules and regulations, and the adoption of the supplemental guidelines on step increment and promotion.^[10] The pertinent provision of Resolution No. 372 provides:

A. Step Increment

x x x x

III. Specific Rules:

x x x x

3. The step increment adjustment of an employee who is on preventive

suspension shall be withheld until such time that a decision on the case has been rendered. x x x x

Respondents also asked that they be allowed to avail of the employee privileges under GSIS Board Resolution No. 306 (Resolution No. 306) approving Christmas raffle benefits for all GSIS officials and employees effective year 2002.^[11] Respondents' request was again denied because of their pending administrative case.

On 27 August 2003, petitioner GSIS Board issued Board Resolution No. 197 (Resolution No. 197) approving the following policy recommendations:

B. On the disqualification from promotion of an employee with a pending administrative case

To adopt the policy that an employee with pending administrative case shall be disqualified from the following during the pendency of the case:

- a) Promotion;
- b) Step Increment;
- c) Performance-Based Bonus; and
- d) Other benefits and privileges.

On 14 November 2003, respondents filed before the trial court a petition for prohibition with prayer for a writ of preliminary injunction.^[12] Respondents claimed that they were denied the benefits which GSIS employees were entitled under Resolution No. 306. Respondents also sought to restrain and prohibit petitioners from implementing Resolution Nos. 197 and 372. Respondents claimed that the denial of the employee benefits due them on the ground of their pending administrative cases violates their right to be presumed innocent and that they are being punished without hearing. Respondent Molina also added that he had already earned his right to the step increment before Resolution No. 372 was enacted. Respondents also argued that the three resolutions were ineffective because they were not registered with the University of the Philippines (UP) Law Center pursuant to the Revised Administrative Code of 1987.^[13]

On 24 November 2003, petitioners filed their comment with motion to dismiss and opposition.^[14] On 2 December 2003, respondents filed their opposition to the motion to dismiss.^[15] On 5 December 2003, petitioners filed their reply.^[16]

On 16 January 2004, the trial court denied petitioners' motion to dismiss and granted respondents' prayer for a writ of preliminary injunction.^[17]

Petitioners filed a motion for reconsideration.^[18] In its 26 February 2004 Order, the trial court denied petitioners' motion.^[19]

In its 24 September 2004 Decision, the trial court granted respondents' petition for

prohibition. The dispositive portion of the 24 September 2004 Decision provides:

WHEREFORE, the petition is GRANTED and respondents' Board Resolution No. 197 of August 27, 2003 and No. 372 of November 21, 2000 are hereby declared null and void. The writ of preliminary injunction issued by this Court is hereby made permanent.

SO ORDERED.^[20]

Petitioners filed a motion for reconsideration. In its 7 October 2005 Order, the trial court denied petitioners' motion.

Hence, this petition.

The Ruling of the Trial Court

On the issue of jurisdiction, the trial court said it can take cognizance of the petition because the "territorial area" referred to in Section 4, Rule 65 of the Rules of Court "does not necessarily delimit to a particular locality but rather to the judicial region where the office or agency is situated so that the prohibitive writ can be enforced."

On the merits of the case, the trial court ruled that respondents were entitled to all employee benefits as provided under the law by reason of their employment. According to the trial court, to deny respondents these employee benefits for the reason alone that they have pending administrative cases is unjustified since it would deprive them of what is legally due them without due process of law, inflict punishment on them without hearing, and violate their right to be presumed innocent.

The trial court also found that the assailed resolutions were not registered with the UP Law Center, per certification of the Office of the National Administrative Register (ONAR).^[21] Since they were not registered, the trial court declared that the assailed resolutions have not become effective citing Sections 3 and 4, Chapter 2, Book 7 of the Revised Administrative Code of 1987.^[22]

The Issues

Petitioners raise the following issues:

I

Whether the jurisdiction over the subject matter of Civil Case No. 03-108389 (Velasco, et al. vs. The Board of Trustees of GSIS, et al., RTC-Manila, Branch 19) lies with the Civil Service Commission (CSC) and not with the Regional Trial Court of Manila, Branch 19.

II

Whether a Special Civil Action for Prohibition against the GSIS Board or

its President and General Manager exercising quasi-legislative and administrative functions in Pasay City is outside the territorial jurisdiction of RTC-Manila, Branch 19.

III

Whether internal rules and regulations need not require publication with the Office of the National [Administrative] Register for their effectivity, contrary to the conclusion of the RTC-Manila, Branch 19.

IV

Whether a regulation, which disqualifies government employees who have pending administrative cases from the grant of step increment and Christmas raffle benefits is unconstitutional.

V

Whether the nullification of GSIS Board Resolutions is beyond an action for prohibition, and a writ of preliminary injunction cannot be made permanent without a decision ordering the issuance of a writ of prohibition.^[23]

The Ruling of the Court

The petition is partly meritorious.

Petitioners argue that the Civil Service Commission (CSC), not the trial court, has jurisdiction over Civil Case No. 03-108389 because it involves claims of employee benefits. Petitioners point out that the trial court should have dismissed the case for lack of jurisdiction.

Sections 2 and 4, Rule 65 of the Rules of Court provide:

Sec. 2. Petition for Prohibition. - When the proceedings of any tribunal, corporation, board, officer or person, whether exercising judicial, quasi-judicial or ministerial functions, are without or in excess of its jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal or any other plain, speedy, and adequate remedy in the ordinary course of law, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and **praying that judgment be rendered commanding the respondent to desist from further proceedings in the action or matter specified therein**, or otherwise granting such incidental reliefs as law and justice may require.

Sec. 4. Where petition filed. - The petition may be filed not later than sixty (60) days from notice of the judgment, order or resolution sought to be assailed in the Supreme Court or, **if it related to acts or omissions of a lower court or of a corporation, board, officer or**

person in the Regional Trial Court exercising jurisdiction over the territorial area as defined by the Supreme Court. It may also be filed in the Court of Appeals whether or not the same is in aid of its appellate jurisdiction, or in the Sandiganbayan if it is in aid of its jurisdiction. If it involves the acts or omissions of a quasi-judicial agency, and unless otherwise provided by law or these Rules, the petition shall be filed in and cognizable only by the Court of Appeals. (Emphasis supplied)

Civil Case No. 03-108389 is a petition for prohibition with prayer for the issuance of a writ of preliminary injunction. Respondents prayed that the trial court declare all acts emanating from Resolution Nos. 372, 197, and 306 void and to prohibit petitioners from further enforcing the said resolutions.^[24] Therefore, the trial court, not the CSC, has jurisdiction over respondents' petition for prohibition.

Petitioners also claim that the petition for prohibition was filed in the wrong territorial jurisdiction because the acts sought to be prohibited are the acts of petitioners who hold their principal office in Pasay City, while the petition for prohibition was filed in Manila.

Section 18 of Batas Pambansa Blg. 129 (BP 129)^[25] provides:

SEC. 18. Authority to define territory appurtenant to each branch. - **The Supreme Court shall define the territory over which a branch of the Regional Trial Court shall exercise its authority. The territory thus defined shall be deemed to be the territorial area of the branch concerned for purposes of determining the venue of all suits, proceedings or actions, whether civil or criminal,** as well as determining the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts over which the said branch may exercise appellate jurisdiction. The power herein granted shall be exercised with a view to making the courts readily accessible to the people of the different parts of the region and making attendance of litigants and witnesses as inexpensive as possible. (Emphasis supplied)

In line with this, the Supreme Court issued Administrative Order No. 3^[26] defining the territorial jurisdiction of the regional trial courts in the National Capital Judicial Region, as follows:

- a. Branches I to LXXXII, inclusive, with seats at Manila - over the City of Manila only.
- b. Branches LXXXIII to CVII, inclusive, with seats at Quezon City - over Quezon City only.
- c. Branches CVIII to CXIX, inclusive, with seats at Pasay City - over Pasay City only.

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