



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated January 19, 2021 which reads as follows:

“G.R. No. 197126 – (SAINT LOUIS UNIVERSITY, INC., ET AL., petitioners v. BABY NELLIE M. OLAIREZ, ET AL., respondents). – This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, as amended, seeking the reversal and setting aside of the Decision² dated January 31, 2011 and the Resolution³ dated May 16, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 82034. The assailed issuances affirmed *in toto* the July 16, 2003 Decision⁴ of Branch 6 of the Regional Trial Court (RTC) of Baguio City in Civil Case No. 5191-R, for “Injunction with Damages with Preliminary Mandatory Injunction and/or Mandamus and Temporary Restraining Order.”

Antecedents

Petitioner Saint Louis University, Inc. (SLU) is a higher education institution which offers, among others, the degree of Doctor of Medicine to those who aspire to become doctors and physicians. Respondents Baby Nellie M. Olarez, Shieryl A. Rebucal, Jenny Riza A. Banta and Brando B. Badecao (collectively referred to as the respondents) are former students of SLU’s College of Medicine. When the instant controversy arose, respondents were in the fourth and final year of their medical education.

Respondents enrolled with SLU’s College of Medicine as freshmen students in the first semester of school year 1998-1999. At the time of

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¹ *Rollo*, pp. 9-63.

² *Id.* at 64-105; penned by Associate Justice Fernanda Lampas Peralta and concurred in by Associate Justices Priscilla J. Baltazar-Padilla (now a retired Member of this Court) and Amy C. Lazaro-Javier (now a Member of this Court).

³ *Id.* at 106-107.

⁴ *Id.* at 108-141; penned by Judge Ruben C. Ayson.



their enrollment, SLU imposed as a requirement for graduating medicine students the passing of a Comprehensive Written Examination (COWE). Under the 2001 edition of the SLU College of Medicine Student Handbook, all candidates for graduation were required to take a written examination consisting of 100 multiple-choice type questions for each of their 12 subject areas. A student who obtains a failing score in any of the subject areas shall be required to take a remedial examination for that particular subject area alone.⁵

On September 3, 2001, petitioner Elizabeth Fe-Dacanay (Dean Fe-Dacanay), who was then the newly-appointed Dean of the SLU College of Medicine, issued new guidelines for a Revised COWE for school year 2001-2002.⁶ The Revised COWE imposed one written examination and introduced two oral exercises. Candidates for graduation who pass the written examination shall be exempted for the first oral exercise (Orals I) and proceed to the second oral exercise (Orals II), while those who fail the written examination shall be required to take Orals I followed by Orals II. Students who fail Orals I shall be required to render at least two months of extended clerkship. In the same manner, those who do not pass Orals II must render at least two months of extended clerkship.⁷

The fourth year students of SLU College of Medicine started taking the written examinations on September 15, 2001. On October 19, 2001, pending the results of the written examinations, the fourth year students wrote a letter to Rev. Fr. Paul Van Parijs (Fr. Van Parijs), President of SLU, praying that they be allowed to join the graduation ceremony in April 2002.⁸ This request was approved by Fr. Van Parijs on October 27, 2001.⁹

On February 19, 2002, the fourth year students were informed that nobody passed the written examinations. However, their scores were not released to them. At any rate, the said students were informed that all of them had to take Orals I.

Respondents, who were all graduating students at that time, were among those who were affected by the Revised COWE. Having failed the written examinations, they also failed Orals I. Without any sufficient explanation, they were given varying months of extended clerkship.

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⁵ Id. at 330-331.

⁶ Id. at 172.

⁷ Id. at 173-176.

⁸ Id. at 181-188.

⁹ Id. at 180.

On March 13, 2002, 67 fourth year students wrote Dean Fe-Dacanay a letter¹⁰ asking for a reconsideration of their Orals 1 results. They bewailed retroactive imposition of the Revised COWE to the graduating students of SLU, as well as the arbitrariness of the conduct of the Orals I.

Their protest falling on deaf ears, respondents sought judicial intercession by filing the subject complaint with the RTC of Baguio City on March 18, 2002. Thereafter, an *ex-parte* restraining order, for a period of 72 hours, was issued by the Executive Judge. The case was then raffled to Branch 3 which was presided by Judge Fernando Vil Pamintuan (Judge Pamintuan) who, in turn, issued a temporary restraining order against the further implementation of the Revised COWE. Aggrieved, petitioners moved for Judge Pamintuan's inhibition from the case, which was granted in an Order¹¹ dated April 2, 2002. The case was re-raffled to Branch 6 in the sala of Judge Ruben C. Ayson (Judge Ayson). On April 2, 2002, Judge Ayson granted respondents' prayer for the issuance of a writ of preliminary injunction upon the posting of a bond amounting to ₱40,000.00.¹²

During the pendency of the case before the trial court, respondents were able to complete their respective clerkships with passing marks.¹³ They were likewise able to participate in the graduation ceremony of the SLU College of Medicine which was held on April 13, 2002. Accordingly, the Association of Philippine Medical Colleges Foundation, Inc. (APMCFI) issued certificates authorizing respondents to report for their 12-month post-graduate internships at the Baguio General Hospital and Medical Center.¹⁴ However, SLU refused to release all of the pertinent documents to enable them to begin their medical internships, to wit: certificates of graduation, transcripts of records and diplomas. Nonetheless, the Commission on Higher Education (CHED) issued certifications¹⁵ stating that respondents had completed all of the academic requirements for the degree of Doctor of Medicine.

On July 16, 2003, the RTC rendered judgment in favor of respondents, the dispositive portion of which reads as follows:

WHEREFORE, premises considered, Judgment is hereby rendered in favor of the plaintiffs Baby Nellie Olarez and Shieryl

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¹⁰ Id. at 189-193.

¹¹ Id. at 194-195.

¹² Id. at 196-197.

¹³ Id. at 198-269.

¹⁴ Id. at 337-340.

¹⁵ Id. at 278-281.

Rebucal and Intervenors Jenny Riza Banta and Brando Badecao and against the defendants, as follows:

1. Ordering the Administrative Secretary, Training Officer, Hospital Administrator and Medical Director of Saint Louis University Hospital to sign the clearances of plaintiffs and intervenors;

2. Ordering defendants Dean Elizabeth Fe-Dacanay and Saint Louis University to issue the Certificate of Graduation of plaintiffs and intervenors;

3. Ordering defendant Dean Dacanay to forward the Final Grades (SLU Form No. 4) of plaintiffs and intervenors submitted to her office to the Office of the Registrar of Saint Louis University for proper recording in the Transcript of Records;

4. Ordering defendants Dean Dacanay and Saint Louis University and all those acting for and in their behalf to issue the diploma and transcript of records of plaintiffs and intervenors and include them in the SLU Registry of Graduates (ROG);

5. Ordering defendants Dean Dacanay and Saint Louis University and all those acting for and in their behalf to cease and desist permanently from exerting pressure on the Association of Philippine Medical Colleges (APMC) to recall the permit issued by it to plaintiffs and intervenors for their internship;

6. Ordering defendants Dean Dacanay and Saint Louis University and all those acting for and in their behalf to cease and desist permanently from exerting pressure on the Baguio General Hospital (BGH) to pull out plaintiffs and intervenors from their internship at BGH or from recalling the same;

7. Declaring the plaintiffs and intervenors as having graduated with the Degree of Medicine having completed all the requirements leading to the Degree of Doctor of Medicine as certified to by the Commission on Higher Education (CHED) Director Joseph de los Santos;

8. Declaring the Revised COWE with Orals 1 and 2 with additional two to four months of medical clerkship as moot and academic insofar as plaintiffs and intervenors are concerned since they have already graduated with the Degree of Doctor of Medicine and/or completed all the requirements leading to the Degree of Doctor of Medicine as certified to by the CHED Director Joseph delos Santos;

9. Declaring that the matter of the writ of preliminary injunction (mandatory) prayed for which was agreed upon by the parties to be resolved together with the judgment on the merits of the case in view of time constraints is actually deemed resolved herein as, in effect, a final writ of injunction (mandatory) is issued by the Court ordering defendants Dean Dacanay and the Saint Louis University and all those acting for and in their behalf to issue immediately the

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plaintiffs' and intervenors' clearances, final grades, certificate of graduation, diploma and transcript of records and include them in their Registry of Graduates and certify them as graduates qualified to take the Board examination for Medicine this August, 2003.

10. Dismissing all claims and counterclaims for damages, Actual Damages, Moral Damages, Nominal Damages, Exemplary Damages and Attorney's fees considering that both the plaintiffs and intervenors on the one hand and the defendants on the other hand acted in good faith in pursuing and advocating with vigor and zeal their respective positions and were not in bad faith.

Furnish a copy of this Judgment not only to the counsels of defendants but also to the defendants themselves, Dean Elizabeth Dacanay, Saint Louis University and those acting for and in their behalf such as Dr. John Domantay, the Administrative Secretary, Hospital Administrator, Training Officer and Medical Director of the Saint Louis University Hospital of the Sacred Heart for their immediate compliance of the Final Writ of Injunction (Mandatory) issued herein.

Without pronouncement as to costs.

SO ORDERED.¹⁶

In finding for respondents, the RTC found that SLU arbitrarily changed the requirements for graduation in the middle of school year 2001-2002. The trial court reasoned that the graduating students of SLU College of Medicine "have the right to expect that the requisites for graduation contained in their Student Handbook at the time they enrolled and started the school year should be maintained as that is a contract between those who enrolled and the school."¹⁷

Aggrieved, petitioners interposed an appeal with the CA.

On January 31, 2011, the CA rendered the herein assailed Decision affirming *in toto* the ruling of the RTC. The appellate court ratiocinated that respondents cannot be considered to be in estoppel by virtue of their compliance with the Revised COWE, the same being involuntary. Then, too, respondents had no other speedy recourse but to seek judicial intervention due to time constraints, it being apparent that they had to take the licensure examination for physicians. Since the relationship between SLU and its students is contractual in nature, SLU cannot change its academic requirements at its whim. Academic freedom does not mean that SLU can just change the requirements for graduation at its pleasure, the CA declared.

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¹⁶ Id. at 139-141.

¹⁷ Id. at 126.

At any rate, the appellate court pronounced, supervening events had rendered the case moot and academic, to wit: (1) SLU's release of respondents' final grades; (2) the issuance of respondents' Certificates of Academic Ranking;¹⁸ (3) the CHED's certifications¹⁹ that respondents had completed all of the academic requirements for the degree of Doctor of Medicine; (4) the inclusion of respondents' names in the list of graduates in the commencement program and their participation in the graduation ceremonies of SLU; (5) the APMCFI's certification that respondents were already qualified to undergo post-graduate medical internships at the Baguio General Hospital and Medical Center; and (6) respondents' completion of said post-graduate medical internships.

Hence, the present recourse.

Statement of Issues

Petitioners argue in the affirmative of the following issues:

I.

THE COURT OF APPEALS ERRED IN AFFIRMING THE TRIAL COURT'S RULING THAT PETITIONER-SLU HAD NO RIGHT TO IMPLEMENT THE REVISED COMPREHENSIVE ORAL & WRITTEN EXAMINATION (COWE) FOR THE SCHOOL YEAR 2001-2002.

II.

THE COURT OF APPEALS ERRED IN AFFIRMING THE TRIAL COURT'S HOLDING THAT RESPONDENTS HAVE GRADUATED FROM PETITIONER-SLU'S COLLEGE OF MEDICINE ON THE GROUND THAT SUPERVENING EVENTS HAVE RENDERED THE REVISED COWE MOOT AND ACADEMIC.²⁰

Petitioners contend, in the main, that the imposition of the Revised COWE is a reasonable exercise of its academic freedom, justified by the public policy on the need to elevate the standards of medical education. In addition, petitioners assert that the case has not been rendered moot and academic because SLU possesses the autonomy to confer degrees independent of CHED's actions.

On the other hand, respondents counter that the CA did not err in affirming the findings and conclusions of the RTC. They contend that the instant petition is infirm, it was not verified by Dean Fe-Dacanay; and that

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¹⁸ Id. at 332-335.

¹⁹ Id. at 278-281.

²⁰ Id. at 28.

it is a mere rehash of the arguments that have already been passed upon by the RTC and the CA.

The Ruling of the Court

At the outset, the Court finds no need to dwell on the parameters involving the verification of the instant petition, particularly the absence of Dean Fe-Dacanay's signature and SLU's explanation that she is no longer connected to SLU. Verification, like in most cases required by the rules of procedure, is a formal, not jurisdictional, requirement, and mainly intended to secure an assurance that matters which are alleged are done in good faith or are true and correct and not of mere speculation.²¹ Therefore, the courts may simply order the correction of the pleadings or act on them and waive strict compliance with the rules, as in this case.²²

The petition is bereft of merit.

On academic freedom

Academic freedom is both a right and an obligation.²³ It thrives not only on the independent and uninhibited exchange of ideas among teachers and students, but also on autonomous decision-making by the academy itself.²⁴

From the medieval times, academic freedom has meant the freedom of the professor to teach without external control in his or her area of expertise, and it has implied the freedom of the student to learn.²⁵ The concept of academic freedom first gained institutional recognition with the creation, in 1810, of the University of Berlin, considered by many to be the first modern research university.²⁶ Emerging prominently in late nineteenth century German concepts of *Lernfreiheit* (the freedom to learn) and *Lehrfreiheit* (the freedom to teach), academic freedom has been inextricably linked to the free exchange of ideas and self-governance so fundamental to the academic ethos.²⁷ In the United States, Justice Felix

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²¹ *Vallacar Transit, Inc. v. Catubig*, 664 Phil. 529, 541 (2011).

²² *Fernandez v. Villegas, et al.*, 741 Phil. 689, 700 (2014).

²³ Judith Butler, "Academic Freedom and the Critical Task of the University," *Globalizations* 14:6, 857-861 (2017). <https://doi.org/10.1080/14747731.2017.1325168>.

²⁴ See *Regents of the University of Michigan v. Ewing*, 474 U.S. 214 (1985).

²⁵ Philip G. Altbach, "Academic freedom: International realities and challenges," *Higher Education* 41, 205-219 (2001). <https://doi.org/10.1023/A:1026791518365>.

²⁶ Kenneth Garcia, "Religion, Sectarianism, and the Pursuit of Truth: Reexamining Academic Freedom in the Twenty-First Century," *AAUP Journal of Academic Freedom* 5 (2014). <https://www.aaup.org/sites/default/files/Garcia.pdf>.

²⁷ Theodore W. McDonald, James D. Stockton and R. Eric Landrum, "Civility and Academic Freedom: Who Defines the Former (And How) May Imperil Rights to the Latter," *College Quarterly* 2, (2018). <https://files.eric.ed.gov/fulltext/EJ1169339.pdf>.

Frankfurter, concurring in the case of *Sweezy v. New Hampshire*,²⁸ summarized the four essential freedoms that constitute academic freedom:

It is the business of a university to provide that atmosphere which is most conducive to speculation, experiment and creation. It is an atmosphere in which there prevail “the four essential freedoms” of a university—to determine for itself on academic grounds who may teach, what may be taught, how it shall be taught, and who may be admitted to study.

Generally speaking, the state may not take action that “cast[s] a pall of orthodoxy over the classroom,” which is traditionally the “marketplace of ideas.”²⁹ The administration of the university rests not with the courts, but with the administrators of the institution.³⁰

In this jurisdiction, academic freedom is enshrined in Article XIV, Section 5 (2) of the Constitution:

(2) Academic freedom shall be enjoyed in all institutions of higher learning.

Academic freedom, as worded in our Constitution, is granted to institutions of higher learning. It is different from the academic freedom granted to individuals such as students and professors, who have the right “to seek and express truth” in their academic work. This type of academic freedom is separate and distinct from academic freedom which refers to the autonomy of academic institutions as a corporate body.³¹

As corporate entities, educational institutions of higher learning are inherently endowed with the right to establish their policies, academic and otherwise, unhampered by external controls or pressure.³² Academic freedom accords an institution of higher learning the right to decide for itself its aims and objectives and how best to attain them.³³

In the leading case of *Garcia v. Faculty Admission Committee, Loyola School of Theology*,³⁴ the Court resolved whether or not an academic institution may be compelled to admit petitioner to study. Petitioner in *Garcia* filed a petition for mandamus, seeking to compel respondent to admit her in the Loyola School of Theology. In denying the petition, the Court held that there is no clear duty on the part of the

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²⁸ 354 U.S. 234 (1957).

²⁹ *Omosegbon v. Wells*, 335 F. 3d 668 (2003).

³⁰ *Parate v. Isibor*, 868 F. 2d 821 (1989).

³¹ *Garcia v. Faculty Admission Committee, Loyola School of Theology*, 160-A Phil. 929 (1975).

³² *Ateneo de Manila University v. Judge Capulong*, 294 Phil. 654, 673 (1993).

³³ *Morales v. The Board of Regents of the UP*, 487 Phil. 449, 474 (2004).

³⁴ *Supra*.

respondent to admit the petitioner to study. Academic freedom gives discretion to the respondent to create its own admission policies which must be met by those who wish to enter their institution. More importantly, petitioner failed to show a clear legal right which entitles her to admission. Thus:

There are standards that must be met. There are policies to be pursued. Discretion appears to be of the essence. In terms of Hohfeld's terminology, what a student in the position of petitioner possesses is a privilege rather than a right. She cannot therefore satisfy the prime and indispensable requisite of a mandamus proceeding. Such being the case, there is no duty imposed on the Loyola School of Theology... While she pressed her points with vigor, she was unable to demonstrate the existence of the clear legal right that must exist to justify the grant of this writ.³⁵

Similarly, in the subsequent case of *Tangonan v. Judge Paño*,³⁶ this Court reiterated the primacy of academic freedom with respect to an institution's admission policy. In *Tangonan*, petitioner similarly filed a mandamus case to compel the respondent school to admit her to study nursing. Respondent alleged that it denied her admission due to academic delinquency. In affirming the denial of petitioner's re-admission to the university, this Court held that compelling the re-admission despite petitioner's failure to meet the school's standard policies and qualifications will violate academic freedom. Thus:

The foregoing notwithstanding, still petitioner would want Us to compel respondent school to enroll her despite her failure to meet the standard policies and qualifications set by the school. To grant such relief would be doing violence to the academic freedom enjoyed by the respondent school enshrined under Article XV, Section 8, Par. 2 of our Constitution which mandates "that all institutions of higher learning shall enjoy academic freedom." This institutional academic freedom includes not only the freedom of professionally qualified persons to inquire, discover, publish and teach the truth as they see it in the field of their competence subject to no control or authority except of rational methods by which truths and conclusions are sought and established in these disciplines, but also the right of the school or college to decide for itself, its aims and objectives, and how best to attain them—the grant being to institutions of higher learning—free from outside coercion or interference save possibly when the overriding public welfare calls for some restraint. It has a wide sphere of autonomy certainly extending to the choice of students. Said constitutional provision is not to be construed in a niggardly manner or in a grudging fashion. That would be to frustrate its purpose and nullify its intent.³⁷

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³⁵ Id. at 941-942.

³⁶ 221 Phil. 601 (1985).

³⁷ Id. at 611-612.

An institution's determination of who may be admitted to its study is not only limited to its admission policies but it is necessarily extends to the supervision of its students while they are enrolled. Academic institutions are free to establish and impose academic standards and rules on conduct upon its students. These policies are not only essential for the institution's survival but are imperative if academic quality is sought to be maintained or elevated.

Students who are admitted to study are consequently subject to the school's supervision and should there be a finding of infractions, it is within the right of the school to mete out penalties, including dismissal.

In a number of cases, this Court has ruled that dismissal of erring students is within the ambit of academic freedom.

In *Ateneo De Manila University v. Judge Capulong*,³⁸ the Court upheld the decision of petitioner to dismiss its students who violated university rules by participating in hazing activities. In so ruling, the Court emphasized that admission, as well as continuing study, is discretionary upon a school and these pursuits are mere privileges rather than a student's right. An academic institution, in exercise of its academic freedom, may establish for itself rules and regulations regarding the admission, discipline, and promotion of its students. Thus:

Such rules are "incident to the very object of incorporation and indispensable to the successful management of the college. The rules may include those governing student discipline." Going a step further, the establishment of rules governing university-student relations, particularly those pertaining to student discipline, may be regarded as vital, not merely to the smooth and efficient operation of the institution, but to its very survival.³⁹

Corollarily, students are under obligation to comply with the institution's standards to be admitted and to subsequently retain its standing and continue studying in the institution. If a student is found to have violated or failed to meet this standard, the institution has the prerogative to impose sanctions or to expel the student.⁴⁰

In *Licup v. University of San Carlos (USC)*:⁴¹

While it is true that the students are entitled to the right to pursue their education, the USC as an educational institution is also entitled to pursue its academic freedom and in the process has the concomitant right to see to it that this freedom is not jeopardized.

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³⁸ 294 Phil. 654 (1993).

³⁹ Id. at 675.

⁴⁰ Id. at 667.

⁴¹ 258-A Phil. 417 (1989).

True, an institution of learning has a contractual obligation to afford its students a fair opportunity to complete the course they seek to pursue. However, when a student commits a serious breach of discipline or fails to maintain the required academic standard, he forfeits his contractual right; and the court should not review the discretion of university authorities.⁴²

The prerogative of an academic institution covers not only actions concerning disciplinary measures but more so with respect to its academic policies.

It is fundamental to an academic institution that it is able to identify and establish the standards to achieve and to maintain its academic quality. To attain certain academic standards, schools and universities put in place rigorous curricula and scholastic rules to determine which students may be granted degrees and academic distinctions.

In *University of San Carlos v. Court of Appeals*,⁴³ private respondent sought to compel petitioner to confer her degree with honors. According to petitioner's evaluation, respondent's general average did not qualify for honors. On the other hand, respondent claimed that her average grade qualifies for the distinction of *cum laude* if, petitioner will exclude her failing grades in her previous course. However, petitioner rejected respondent's claim because it is an established policy that all grades obtained by a student will be taken into consideration in the evaluation of his or her overall academic performance. This includes grades in all subjects and courses she took in the university.

In upholding the petitioner's decision, the Court held that the petitioner's rules on granting academic distinction is part of its academic freedom. Failing to obtain the required average, respondent cannot compel petitioner to award the distinction. Absent any abuse on the part of the petitioner, this decision may not be disturbed by the Court. Thus:

It is an accepted principle that schools of learning are given ample discretion to formulate rules and guidelines in the granting of honors for purposes of graduation. This is part of academic freedom. Within the parameters of these rules, it is within the competence of universities and colleges to determine who are entitled to the grant of honors among the graduating students. Its discretion on this academic matter may not be disturbed much less controlled by the courts unless there is grave abuse of discretion in its exercise.⁴⁴

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⁴² Id. at 423-424.

⁴³ 248 Phil. 798 (1988).

⁴⁴ Id. at 803.

This ruling was reiterated in the similar case of *Morales v. Board of Regents*.⁴⁵ *Morales* likewise involved the school's decision to grant an academic distinction to its student. In upholding the school's refusal to award honors to petitioner, the Court held that academic freedom accords the academic institution the liberty to establish standards for the grant of academic recognition. Absent abuse of this discretion, the Court cannot interfere with the school's decision. Thus:

x x x [T]he discretion of schools of learning to formulate rules and guidelines in the granting of honors for purposes of graduation forms part of academic freedom. And such discretion may not be disturbed much less controlled by the courts, unless there is grave abuse of discretion in its exercise. Therefore, absent any showing of grave abuse of discretion, the courts may not disturb the University's decision not to confer honors to petitioner.

x x x x

Sec. 5 (2), Article XIV of the Constitution provides that "[a]cademic freedom shall be enjoyed in all institutions of higher learning." Academic freedom accords an institution of higher learning the right to decide for itself its aims and objectives and how best to attain them. This constitutional provision is not to be construed in a niggardly manner or in a grudging fashion. Certainly, the wide sphere of autonomy given to universities in the exercise of academic freedom extends to the right to confer academic honors. Thus, exercise of academic freedom grants the University the exclusive discretion to determine to whom among its graduates it shall confer academic recognition, based on its established standards. And the courts may not interfere with such exercise of discretion unless there is a clear showing that the University has arbitrarily and capriciously exercised its judgment. Unlike the UP Board of Regents that has the competence and expertise in granting honors to graduating students of the University, courts do not have the competence to constitute themselves as an Honor's Committee and substitute their judgment for that of the University officials.

Therefore, for failure to establish that the respondent committed grave abuse of discretion in not conferring *cum laude* honors to petitioner, the lower court erred in mandating that petitioner's grades be re-computed including her marks in German 10 and 11 and to confer upon petitioner academic honors.⁴⁶

By the same token, academic institutions have the liberty to establish course requirements and see to it that these requirements are complied before they grant and confer degrees.

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⁴⁵ 487 Phil. 449 (2004).

⁴⁶ Id.

In *San Sebastian College v. Court of Appeals*,⁴⁷ the Court upheld the decision of petitioner to drop its student from the roll of students due to the latter's failure to satisfy academic requirements. In that case, under petitioner's rules, a student who fails in subjects equivalent to three units will be disqualified for re-admission unless the student repeats the whole year. Private respondent was refused re-admission after he failed in three subjects.

Ruling in favor of the petitioner, the Court explained that respondent cannot insist on his readmission when he clearly failed the academic standards set by the school. The Court held that it will not interfere with respect to academic decisions and policies of the schools unless they were enacted with arbitrariness or malice. Thus:

Moreover, the dropping of the private respondent from the petitioner's roll of students was not done precipitately. Private respondent's grades were of his own making. He failed in Practical Arts because he did not submit a required project. His teacher saw fit to fail him for his non-compliance. At the end of the last grading period, the Committee on Admission deliberated on the school standing of students who incurred failures in three academic subjects and among them was the private *Respondent*. With regard to the latter, the Committee resolved that he be made to transfer to another school in line with the petitioner's policy. This recommendation was adopted by petitioner. We fail to see any irregularity involved herein. In the absence of substantial evidence showing arbitrariness or malice on the part of the petitioner, We will not disturb its decision. In his concurring opinion in *Garcia v. The Faculty Admission Committee, Et Al.*, the late Chief Justice Claudio Teehankee supplied the rationale underlying Our attitude towards academic decisions or policies, to wit:

Only . . . when there is marked arbitrariness, will the courts interfere with the academic judgment of the school faculty and the proper authorities as to the competence and fitness of an applicant for enrollment . . . The courts simply do not have the competence nor inclination to constitute themselves as Admission Committees of the universities and institutions of higher learning and to substitute their judgment for that of the regularly constituted Admission Committees of such educational institutions. Were the courts to do so, they would conceivably be swamped with petitions for admission from the thousands refused admission every year, and next the thousands who flunked and were dropped would also be petitioning the courts for a judicial review of their grades.⁴⁸

While academic institutions have a contractual obligation to provide its students a fair opportunity to finish their course, the students

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⁴⁷ 274 Phil. 414 (1991).

⁴⁸ Id. at 424.

bear a reciprocal obligation to study and to comply with the rules and regulations of the school, including its academic standards and methods.⁴⁹ Failing to attain these standards, the student forfeits his or her contractual right to study.⁵⁰ In *University of San Agustin, Inc. v. Court of Appeals*:⁵¹

While it is true that an institution of learning has a contractual obligation to afford its students a fair opportunity to complete the course they seek to pursue, since a contract creates reciprocal rights and obligations, the obligation of the school to educate a student would imply a corresponding obligation on the part of the student to study and obey the rules and regulations of the school. When a student commits a serious breach of discipline or fails to maintain the required academic standard, he forfeits his contractual right. In this connection, this Court recognizes the expertise of educational institutions in the various fields of learning. Thus, they are afforded ample discretion to formulate reasonable rules and regulations in the admission of students, including setting of academic standards. Within the parameters thereof, they are competent to determine who are entitled to admission and re-admission.⁵²

By virtue of academic freedom, schools have a wide discretion in determining its own set of academic policies and this Court has recognized that this matter is within the expertise of educational institutions. The academic institutions are competent to determine whatever parameters, examinations, minimum average grade, or failing limit it will impose on its students and courts will not step in and review decisions which are done in exercise of academic freedom unless there was grave abuse of discretion.

Nevertheless, an educational institution's discretion on the exercise of academic freedom is not absolute. Like other constitutional rights, it must on occasion be balanced against important competing interests.⁵³ In his concurring opinion in *Garcia v. The Faculty Admission Committee, Loyola School of Technology*,⁵⁴ the late Chief Justice Claudio Teehankee supplied the rationale underlying Our attitude towards academic decisions or policies,⁵⁵ to wit:

Only . . . when there is marked arbitrariness, will the courts interfere with the academic judgment of the school faculty and the proper authorities as to the competence and fitness of an applicant for enrollment. . . . The courts simply do not have the competence nor inclination to constitute themselves as Admission Committees of the

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⁴⁹ *University of San Agustin, Inc. v. Court of Appeals*, 300 Phil. 819, 827 (1994).

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 834.

⁵³ *Dow Chemical Co. v. Allen*, 672 F.2d 1262 (17th Circuit 1982).

⁵⁴ *Supra* note 31.

⁵⁵ *San Sebastian College v. Court of Appeals*, *supra* note 47.

universities and institutions of higher learning and to substitute their judgment for that of the regularly constituted Admission Committees of such educational institutions. Were the courts to do so, they would conceivably be swamped with petitions for admission from the thousands refused admission every year, and next the thousands who flunked and were dropped would also be petitioning the courts for a judicial review of their grades.⁵⁶

Indeed, “academic freedom has never been meant to be an unabridged license. It is a privilege that assumes a correlative duty to exercise it responsibly.”⁵⁷ Where the decision of the academic institution runs afoul overriding constitutional rights such as right to peaceable assembly and free speech, the Court did not hesitate to strike down the institution’s actions. In *Villar, et al. v. Technological Institute of the Phil. (TIP), et al.*:⁵⁸

The academic freedom enjoyed by “institutions of higher learning” includes the right to set academic standards to determine under what circumstances failing grades suffice for the expulsion of students. Once it has done so, however, that standard should be followed meticulously. It cannot be utilized to discriminate against those students who exercise their constitutional rights to peaceable assembly and free speech. If it does so, then there is a legitimate grievance by the students thus prejudiced, their right to the equal protection clause being disregarded.⁵⁹

Moreover, when the institution acted with grave abuse of discretion or patent arbitrariness, its actions may be nullified by the courts. Thus:

The rule in this jurisdiction since *Garcia v. Loyola School of Theology*, reiterated in *Tangonan v. Paño*, has been to uphold the rule that admission to an institution of higher learning is discretionary upon the school and that such an admission is a mere privilege, rather than a right, on the part of the student. In *Ateneo de Manila University v. Capulong* this Court cited with approval the formulation made by Justice Felix Frankfurter of the essential freedoms subsumed in the term “academic freedom” encompassing not only “the freedom to determine . . . on academic grounds who may teach, what may be taught (and) how it shall be taught,” but likewise “who may be admitted to study.” We have thus sanctioned its valid invocation by a school in rejecting students who are academically delinquent, or a laywoman seeking admission to a seminary, or students violating “School Rules on Discipline.”

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⁵⁶ *Garcia v. The Faculty Admission Committee, Loyola School of Technology*, supra note 31 at 949.

⁵⁷ *Cudia, et al. v. The Superintendent of the Philippine Military Academy, et al.*, 754 Phil. 590, 654-655 (2015), citing *Isabelo, Jr. v. Perpetual Help College of Rizal, Inc.*, 298 Phil. 382, 387 (1993).

⁵⁸ 220 Phil. 379 (1985).

⁵⁹ *Id.* at 384.

Like any other right, however, academic freedom has never been meant to be an unabridged license. It is a privilege that assumes a correlative duty to exercise it responsibly. An equally telling precept is a long recognized mandate, so well expressed in Article 19 of the Civil Code, that every “person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.”

Another observation. In *Non v. Dames II*, we have already abandoned our earlier ruling in *Alcuaz v. PSBA* (that enrollment of a student is a semester-to-semester contract, and that the school may not be compelled to renew the contract) by recognizing instead the right of a student to be enrolled for the entire period required in order to complete his course. We have also stressed that the contract between the school and the student, imbued, as it is, with public interest, is not an ordinary contract.⁶⁰

*SLU acted with grave abuse or
patent arbitrariness*

In the case at bar, the Court cannot allow academic freedom to be weaponized by a newly-appointed college dean for the sake of making a first impression on her superiors. While SLU may rightfully exercise its discretion on who may be conferred the degree of Doctor of Medicine, such exercise must not contravene the rights of its students in accordance with Article 19 of the Civil Code which provides that every “person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.” In his dissenting opinion in *Tan v. Court of Appeals*,⁶¹ Justice Isagani Cruz opined:

I have reservations about the *ponencia* insofar as it suggests that if the parents are not satisfied with the policies of the school, they are free to enroll their children elsewhere. It is not as simple as that. The school is not a strictly private business or an exclusive club admission to which is entirely discretionary in its officials or membership. It is an enterprise affected with public interest and as such does not have full freedom in defining its policies. The school has a missionary and visionary purpose. That purpose transcends personal animosities and idiosyncrasies like those involved in the case before us.⁶²

Indeed, SLU’s sudden imposition of harsher and more punitive requirements to its graduating students in the middle of what was supposed to be their final school year is not as simple and telling

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⁶⁰ *Isabelo, Jr. v. Perpetual Help College of Rizal, Inc.*, supra note 57 at 386-387.

⁶¹ 276 phil. 227 (1991).

⁶² Id. at 245-246.

respondents and their parents to bear with them. The records clearly show that when respondents were admitted as fourth year students, one of the requisites for graduation entailed the passing of a COWE which merely contemplated one written examination and, in case of failure thereof, remedial examination which is limited to the subject areas that the students concerned had failed. However, on September 3, 2001, or more or less in the middle of the school year, SLU revised the COWE and introduced substantial changes including the conduct of oral examinations and severe repercussions for failure that would unduly delay the graduation of its fourth year students.

It bears stressing that when an academic institution accepts students for enrollment, there is established a contract between them, resulting in bilateral obligations which both parties are bound to comply with.⁶³ In this case, the relationship between SLU and respondents was encapsulated in the 2001 Student Handbook which clearly defined the parameters for respondents to obtain their Doctor of Medicine degrees which, as far as their respective official transcripts of records⁶⁴ are concerned, they did. SLU's immediate imposition of the Revised COWE is capricious and inconsistent with an institution of higher learning's contractual obligation to afford its students a fair opportunity to complete the course they seek to pursue.⁶⁵

*In any event, the case has
already been rendered moot and
academic*

We agree with the appellate court's ratiocination that the instant controversy had already been rendered moot and academic by virtue of respondents' participation in the graduation rites of the SLU College of Medicine and the conferment of their Doctor of Medicine degrees by CHED, among other acts.

Although commencement exercises are but a formal ceremony, it nonetheless is not an ordinary occasion, since such ceremony is the educational institution's way of announcing to the whole world that the students included in the list of those who will be conferred a degree during the baccalaureate ceremony have satisfied all the requirements for such degree.⁶⁶ Having allowed respondents to participate in its graduation rites, SLU cannot now deny their entitlement to their medical degrees. At any

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⁶³ *Philippine School of Business Administration v. Court of Appeals*, 282 Phil. 759, 764 (1992).

⁶⁴ *Rollo*, pp. 270-277.

⁶⁵ *Regino v. Pangasinan Colleges of Science and Technology*, 485 Phil. 446, 461 (2004).

⁶⁶ *University of the East v. Jader*, 382 Phil. 697, 704 (2000).

rate, CHED is empowered to recognize and confer upon respondents, as it had, the attainment of the said degree, based on their official transcripts of records⁶⁷ that show their completion of all of their academic units.

Republic Act No. 7722, otherwise known as the Higher Education Act of 1994, established CHED and enumerated among its powers and functions the following:

- n. promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the purpose and objectives of this Act; and
- o. perform such other functions as may be necessary for its effective operations and for the continued enhancement, growth or development of higher education.

Prescinding from the foregoing, it is apparent that “the authority and supervision over all public and private institutions of higher education, as well as degree-granting programs in all post-secondary educational institutions, public and private, belong to the CHED.”⁶⁸ In administrative law, supervision means overseeing or the power or authority of an officer to see that subordinate officers perform their duties. If the latter fail or neglect to fulfill them the former may take such action or step as prescribed by law to make them perform their duties.⁶⁹ Supervision is not a meaningless thing. It is an active power. It is certainly not without limitation, but it at least implies authority to inquire into facts and conditions in order to render the power real and effective.⁷⁰ The grant of autonomous status in favor of SLU does not negate the power supervision conferred by law upon CHED. The legal maxim that “when the law does not distinguish, neither should the court”⁷¹ applies in this case. Since SLU failed and refused outright to confer respondents’ degrees notwithstanding their fulfillment of all the requirements for the attainment thereof, CHED validly stepped in after its jurisdiction was invoked by said respondents. CHED acted well within its power when it recognized respondent’s completion of all the requisites necessary for the conferment of their Doctor of Medicine degrees.

All told, the CA did not commit any reversible error when it dismissed petitioners’ appeal for being moot and academic.

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⁶⁷ *Rollo*, pp. 270-277.

⁶⁸ *De La Salle University, Inc. v. Court of Appeals*, 565 Phil. 365, 341 (2007).

⁶⁹ *Mondano v. Silvosa, etc., et al.*, 97 Phil. 143, 146-148 (1955).

⁷⁰ *Planas v. Gil*, 67 Phil. 62, 76-78 (1939).

⁷¹ *Cruz v. Commission on Audit*, 420 Phil. 102, 109 (2001).

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.⁷² Courts will not decide a case unless there is “a real and substantial controversy admitting of specific relief.”⁷³ Courts will decline jurisdiction over moot cases because there is no substantial relief to which petitioner will be entitled and which will anyway be negated by the dismissal of the petition. The Court will therefore abstain from expressing its opinion in a case where no legal relief is needed or called for.⁷⁴

A final note

Lest it be misunderstood, this ruling is not an indictment against an educational institution’s right to academic freedom, more importantly its prerogative to seek the achievement of “a goal that is of paramount importance in the fulfillment of its mission.”⁷⁵ We affirm in unequivocal terms the commitment “to safeguarding academic freedom, which is of transcendent value”⁷⁶ to the nation. However, the Court cannot condone SLU’s wanton abuse of this right. Our position rests on the premise that “when the exercise of a right is unjust, or when there has been an abuse of right,”⁷⁷ courts may interfere and prevent such arbitrary acts, and even to assert the rights impeded by the same.

Well-settled is the rule that factual findings of the trial court, when affirmed by the Court of Appeals, are deemed binding and conclusive⁷⁸ on the parties and to the Court.⁷⁹ Factual findings of the appellate courts will not be reviewed nor disturbed on appeal to this Court.⁸⁰ We find no compelling reason to stray from this rule, in light of applicable laws and prevailing jurisprudence.

WHEREFORE, the petition is **DENIED** for lack of merit. Accordingly, the Decision dated January 31, 2011 and the Resolution dated May 16, 2011 of the Court of Appeals in CA-G.R. CV No. 82034 are hereby **AFFIRMED**.

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⁷² *Peñafrancia Sugar Mill, Inc. v. Sugar Regulatory Commission*, 728 Phil. 535, 540 (2014).

⁷³ *Land Bank of the Philippines v. Fastech Synergy Philippines, Inc.*, 816 Phil. 422, 444 (2017).

⁷⁴ *Ilusorio v. Baguio Country Club Corporation, et al.*, 738 Phil. 135, 140 (2014).

⁷⁵ *University of California Regents v. Bakke*, 438 U.S. 265 (1978).

⁷⁶ *Keyishian v. Board of Regents of Univ. of State of NY*, 385 U.S. 589.

⁷⁷ *Barons Marketing Corp. v. CA*, 349 Phil. 769, 777 (1998).

⁷⁸ *Carbonell v. Carbonell-Mendes*, 762 Phil. 529, 537 (2015).

⁷⁹ *United Coconut Planters Bank v. Spouses Uy*, 823 Phil. 284, 300 (2018).

⁸⁰ *BP Oil and Chemicals International Philippines, Inc. v. Total Distribution & Logistic Systems, Inc.*, 805 Phil. 244, 253 (2017).

SO ORDERED.” *Peralta, C.J., no part; Hernando, J., designated Additional Member per Raffle dated December 14, 2020.*

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court *pl 2/17*

by:

MARIA TERESA B. SIBULO
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65-B

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