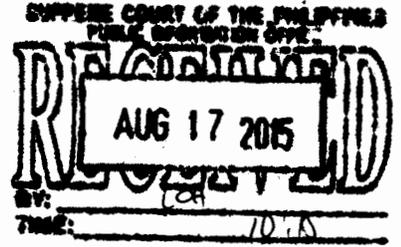


8.
PTD



Republic of the Philippines
Supreme Court
Manila
FIRST DIVISION



NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **June 17, 2015** which reads as follows:*

“G.R. No. 160706 – PABLO C. VILLABER, Petitioner, v. MALAYAN INTEGRATED INDUSTRIES CORPORATION, DAMIAN C. REMPILLO, RACQUEL ABUYEN AND ILDEFONSO PUERTO, Respondents. - The letter dated March 30, 2015 of Court Administrator Jose Midas P. Marquez stating that despite earnest effort, the records of this case cannot be found is **NOTED**.

On July 5, 1982, respondents Malayan Integrated Industries Corporation (Malayan), Damian C. Rempillo, Bonifacio Abuyen and Ildefonso Puerto filed in the Securities and Exchange Commission (SEC) a petition¹ against the herein petitioner in his capacity as the President, Treasurer and General Manager of Malayan, praying, among others, for the creation of a management committee. The petition was docketed as SEC Case No. 002299.²

On June 8, 1999, SEC Hearing Officer Rosalina Tividad-Tesorio issued an order in SEC Case No. 002299 directing the creation of the management committee “to provisionally forestall any action that may prejudice the rights of petitioners and preserve the assets of the subject corporation.”³ On August 7, 2000, she issued another order designating the members of the management committee.⁴ The orders became final and executory following the entry of judgment made by the Court of Appeals (CA) on October 2, 2000.⁵

- over - six (6) pages

¹ CA rollo, pp. 8-14.
² Id. at 8.
³ Id. at 15-19.
⁴ Id. at 20-23.
⁵ Id. at 26.

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The proceedings in SEC Case No. 002299 would have eventually terminated if not for the transfer of jurisdiction to the Regional Trial Court (RTC) by virtue of Republic Act No. 8799 (*The Securities Regulation Code*). Thus, on January 15, 2001, notice was sent to the parties informing them that the case had been meanwhile turned over to Branch 46 of the RTC in Manila,⁶ and re-docketed as Civil Case No. 01-96674. On August 30, 2001, the RTC issued an order dismissing the case without prejudice,⁷ as follows:

On January 15, 2001 the Branch Clerk of Court notified the parties through their counsel that the above-entitled case has been transferred to this court sitting as a corporate court pursuant to Administrative Circular AM No. 00-11-03 of the Supreme Court.

Atty. Manuel Castro received the notice on January 21, 2001, Atty. Alfredo Zapanta on January 25, 2001 and Atty. Ildefonso Puerto also on January 25, 2001.

The petitioners have failed to prosecute this case after the lapse of more than seven (7) months.

WHEREFORE, this case is hereby dismissed without prejudice.

IT IS SO ORDERED.⁸

The respondents filed a *Motion for Reconsideration to Revive/Reinstate Case* dated September 13, 2001,⁹ but the RTC denied the motion on September 21, 2001.¹⁰ Consequently, on December 21, 2001, they assailed the denial by petition for *certiorari* in the CA.¹¹

In its decision promulgated on April 29, 2003,¹² the CA granted the petition for *certiorari*, disposing as follows:

WHEREFORE, based on the foregoing, the instant petition is GRANTED. The Orders dated August 30, 2000 and September 21, 2001 are hereby ANNULLED and SET ASIDE. Public respondent is directed to conduct further proceedings until the determination of the case on the merits.

SO ORDERED.¹³

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⁶ *Rollo*, p. 55.

⁷ *Id.* at 55.

⁸ *Id.*

⁹ *Id.* at 56-57.

¹⁰ *Id.* at 60.

¹¹ *CA Rollo*, pp. 2-7.

¹² *Rollo*, pp. 17-20; penned by Associate Justice Juan Q. Enriquez, Jr. (retired) and concurred in by Associate Justice Rodrigo V. Cosico (retired) and Associate Justice Hakim S. Abdulwahid (retired).

¹³ *Id.* at 20.

The petitioner moved for the reconsideration of the April 29, 2003 decision of the CA,¹⁴ arguing that the period to file the petition for *certiorari* must be reckoned from September 4, 2001, the date the respondents received the order of August 30, 2001, not from the receipt of the order of September 21, 2001 denying the motion for reconsideration considering that the motion for reconsideration was prohibited under the *Interim Rules of Procedure for Intra-Corporate Controversies*; that the respondents' petition for *certiorari*, being filed on December 21, 2001, was beyond the 60-day period reckoned from September 4, 2001; and that in view of the late filing of the respondents' petition for *certiorari*, the dismissal by the RTC became final and executory.¹⁵

On November 4, 2003, the CA denied the petitioner's motion for reconsideration.¹⁶

Hence, this appeal by the petitioner on the sole ground that the CA erred in not dismissing the respondents' petition for *certiorari* for having been filed beyond the 60-day reglementary period provided in Rule 65 of the *Rules of Court*.

The appeal lacks merit.

Rule 1 of the *Interim Rules of Procedure for Intra-Corporate Controversies* specifically prohibits the filing of a motion for reconsideration, to wit:

Sec. 8. *Prohibited pleadings.* - The following pleadings are **prohibited**:

- (1) Motion to dismiss;
- (2) Motion for a bill of particulars;
- (3) **Motion for new trial, or for reconsideration of judgment or order, or for re-opening of trial;**
- (4) Motion for extension of time to file pleadings, affidavits or any other paper, except those filed due to clearly compelling reasons. Such motion must be verified and under oath; and
- (5) Motion for postponement and other motions of similar intent, except those filed due to clearly compelling reasons. Such motion must be verified and under oath. (Emphasis supplied)

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¹⁴ Id. at 21-24.

¹⁵ Id.

¹⁶ Id. at 26-27.

The remedy of an aggrieved party is to file a petition for *certiorari* within 60 days from receipt of the assailed order, not to file a motion for reconsideration, which is a prohibited pleading.¹⁷ As such, the RTC should not have issued the September 21, 2001 order denying the respondents' *Motion for Reconsideration to Revive/Reinstate Case*; and the CA could have dismissed the petition for *certiorari* for being filed late.

The tardiness notwithstanding, the Court affirms the CA's resolution because the liberal construction of the *Rules of Court* for purposes of this case was appropriate. The paramount interest to be served herein was to secure for the parties a just, speedy and inexpensive disposition of the controversy. It does not escape notice that the proceedings commenced in 1982, and were only halted 18 years later due to the intervening enactment of Republic Act No. 8799 transferring the jurisdiction over intra-corporate controversies from the SEC to the RTC. We note that the last proceeding prior to the RTC's assumption of jurisdiction was the petitioner's presentation of his two witnesses. It is also worthy to add that the management committee was already created for the protection of the interests of the parties. Under the circumstances, the CA correctly reversed the dismissal, explaining as follows:

Contrary to public respondent's assertion on petitioners' failure to prosecute the case, petitioners had already terminated the presentation of their evidence and have rested their case. On the other hand, private respondent likewise already presented in evidence the testimony of two (2) witnesses. Pending final determination of the case, a management committee was ordered created by the SICD Hearing Panel, which order was affirmed by the SEC En Banc. The Court finds that the dismissal of the case, even without prejudice, would bring to naught all those long years of proceedings before the SEC on technical grounds alone.

The *Interim Rules of Procedure for Intra-Corporate Controversies (A.M. No. 00-11-03-SC)* prescribe a liberal construction thereof to promote their objective of securing a just, summary, speedy and inexpensive determination of every action or proceeding (*Section 3, Rule 1*). The same rules likewise provide that the courts especially designated to hear and decide intra corporate cases may render a decision on the basis of the pleadings and evidence attached to the records if the defendant fails to file an answer. (*Section 7, Rule 2*), or, when warranted by the records, may require the parties to file their respective memoranda before rendering judgment before the pre-trial (*Section 4, Rule 4*), or render judgment after the pre-trial (*Section 5, Rule 4*). The dismissal of the cases may be done as the records may warrant, on the basis of the pleadings and the evidence.

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¹⁷ *Westmont Investment Corporation v. Farmix Fertilizer Corporation*, G.R. No. 165876, October 4, 2010, 632 SCRA 50, 64.

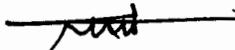
The Court notes that although the dismissal was ordered “without prejudice”, the same cannot justify the action of the court *a quo*. Such dismissal would necessarily require the filing of another claim which would again entail expenses and delay the disposition of the case. It would also require the presentation anew of the same set of evidence by both parties which in the instant case already forms part of the records and may well be the basis of a decision upon the merits.¹⁸

Worthy to emphasize is that it is the principle that party-litigants should be given the fullest opportunity to establish the merits of their complaint or defense rather than for them to lose life, liberty, honor, or property on technicalities and form that should guide judicial actions. The rules of procedure will be nothing unless they serve that objective. They should be viewed only as tools designed to facilitate, not to hinder or prevent, the attainment of justice. The strict and rigid application of technicalities and form is, therefore, to be always frowned upon because technicalities and form tend to frustrate rather than promote substantial justice.¹⁹

WHEREFORE, the Court **AFFIRMS** the decision promulgated on April 29, 2003; and **ORDERS** the petitioner to pay the costs of suit.

SO ORDERED.”

Very truly yours,


EDGAR O. ARICHETA
Division Clerk of Court *ds*

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¹⁸ *Rollo*, pp. 19-20.

¹⁹ *Heirs of Amado A. Zaulda v. Zaulda*, G.R. No. 201234, March 17, 2014.

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(Civil Case No. 01-96674; SEC
Case No. 2299)

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