

## THIRD DIVISION

[ G.R. No. 218543, September 02, 2020 ]

**SIERRA GRANDE REALTY CORPORATION, PETITIONER, VS. HON. MARIA ROSARIO B. RAGASA, CHAIRPERSON, IN HER CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF PASAY, BRANCH 108, ELMER TAN, NANCY TAN, AND BERNARDINO VILLANUEVA, GOLDEN APPLE REALTY CORPORATION, AND ROSVIBON REALTY CORPORATION, RESPONDENTS.**

### D E C I S I O N

**GAERLAN, J.:**

Imputing grave abuse of discretion amounting to lack or excess of jurisdiction on the part of public respondent Presiding Judge Maria Rosario B. Ragasa (Judge Ragasa) of the Regional Trial Court (RTC) of Pasay City, Branch 108, petitioner Sierra Grande Realty Corporation (Sierra Grande) has directly come to this Court via a petition for *certiorari*<sup>[1]</sup> under Rule 65 of the Rules of Court to assail and to seek the annulment and setting aside of two issuances in Civil Case No. M-PSY-12-15305-CV-R00-00, to wit:

1. Order<sup>[2]</sup> dated October 29, 2014 denying petitioner's motion for execution pending appeal; and
2. Order<sup>[3]</sup> dated April 8, 2015 denying petitioner's motion for reconsideration of the first.

The facts pertinent to this case are as follows:

On October 25, 2012, Sierra Grande lodged a complaint for unlawful detainer before the Metropolitan Trial Court (MeTC) of Pasay City against private respondents Elmer Tan (Elmer), Nancy Tan (Nancy), Bernardino Villanueva, Golden Apple Realty Corporation (Golden Apple) and Rosvibon Realty Corporation (Rosvibon).<sup>[4]</sup> The case was docketed as Civil Case No. M-PSY-12-15305CV and was raffled to Branch 47. Due to a failed judicial dispute resolution, it was re-raffled to Branch 46.<sup>[5]</sup>

Sierra Grande alleged, among others, that: (a) it is the registered owner of a property located at No. 2280 Roberts Street, Pasay City, covered by Transfer Certificate of Title (TCT) No. 19801 (Roberts property); (b) the property was purchased in 1975 by one of its incorporators, the late Sochi Villanueva (Sochi), to house his ailing mother; (c) Sochi's brothers, Richard Villanueva (Richard) and Bernardino Villanueva (Bernardino), were allowed to temporarily stay in the property; (d) Richard moved out of the property in 1979;<sup>[6]</sup> (e) in 1984, Elmer and Nancy were also allowed to occupy the property after having been evicted from an

apartment in Ermita, Manila;<sup>[7]</sup> (f) when Sochi passed away in 1985, Bernardino, Elmer and Nancy conspired with other individuals to simulate contracts to sell and deeds of absolute sale over portions of the property in favor of Golden Apple and Rosvibon;<sup>[8]</sup> (g) in the case entitled *Golden Apple Realty and Devt. Corp. v. Sierra Grande Realty Corp., et al.*,<sup>[9]</sup> this Court invalidated the contracts to sell and deeds of absolute sale on the ground of fraud; (h) the Court's decision in the said case became final and executory; (i) on September 28, 2012, it sent a letter to private respondents demanding them to vacate the property and peacefully turn over its possession; and (j) notwithstanding receipt of the letter, private respondents refused to heed its demand; consequently, it was constrained to file the complaint.<sup>[10]</sup>

In their answer, private respondents denied Sierra Grande's allegations. They claimed that the complaint states no genuine cause of action for unlawful detainer since they never received the demand to vacate. They averred that the property was heavily mortgaged to Manphil Investment Corporation and that they were the ones who redeemed the same for and in behalf of petitioner, as evidenced by the annotation on TCT No. 19801 under Entry No. 06-48179. Thus, they asserted that they have a right to the property.<sup>[11]</sup>

In its Decision<sup>[12]</sup> dated September 10, 2013, the MeTC found that Sierra Grande was the lawful owner of the Roberts property and that private respondents were occupying the property by mere tolerance. The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against all defendants namely Elmer Tan, Nancy Tan, Bernardino Villanueva, Golden Apple Realty and Rosvibon Realty Corporation and all person[s] claiming rights under them to:

1. immediately vacate and surrender to plaintiff the possession of the subject premises;
2. pay attorney's fee in the amount of Php20,000.00, and
3. pay the cost of suit.

SO ORDERED.<sup>[13]</sup>

On appeal to the RTC, Judge Ragasa rendered a Decision<sup>[14]</sup> dated April 30, 2014, affirming *in toto* the MeTC Decision.

Dissatisfied, private respondents sought reconsideration thereof, which was denied in an Order dated August 15, 2014 for lack of merit.<sup>[15]</sup>

On September 10, 2014, Sierra Grande filed a motion for execution pending appeal.<sup>[16]</sup> In denying the said motion, Judge Ragasa, in her Order<sup>[17]</sup> dated October 29, 2014, ratiocinated in this wise:

Execution pending appeal is the exception to the general rule. As such exception, the Court's discretion in allowing it must be strictly construed

and firmly grounded on the existence of good reasons. "Good reasons" it has been held, consist of compelling circumstances that justify immediate execution lest the judgment becomes illusory. The circumstances must be superior, outweighing the injury or damages that might result should the losing party secure a reversal of the judgment. Lesser reasons would make of execution pending appeal, instead of an instrument of solicitude and justice, a tool of oppression and inequity x x x.

Thus, it is the honest belief of this Court that it would be prudent to wait the final resolution of the petition for review now pending with the Court of Appeals. The Court therefore defers the issuance of an order of execution.

WHEREFORE, the pending motion for execution pending appeal is hereby denied.

SO ORDERED.

Aggrieved, Sierra Grande moved for reconsideration<sup>[18]</sup> of the aforesaid Order, but to no avail. In an Order<sup>[19]</sup> dated April 8, 2015, Judge Ragasa stood pat on her ruling and reiterated her stand to wait for the final resolution of the case then pending with the Court of Appeals (CA).

Hence, the instant petition.

### **Our Ruling**

#### **The petition is meritorious.**

A *certiorari* proceeding is, by nature, an original and independent action, and therefore not considered as part of the trial that had resulted in the rendition of the judgment or order complained of.<sup>[20]</sup> On this score, there is a need for the Court to acquire jurisdiction over the person of the parties to the case before it can resolve the same on the merits.<sup>[21]</sup> The Court acquired jurisdiction over the person of petitioner Sierra Grande upon the filing of the *certiorari* petition. Meanwhile, Section 4, Rule 46 of the Rules of Court, in relation to Section 2,<sup>[22]</sup> Rule 56 of the same Rules, mandates that "[t]he court shall acquire jurisdiction over the person of the respondent by the service on him of its order or resolution indicating its initial action on the petition or by his voluntary submission to such jurisdiction."

In the case at bar, records reveal that the Court served its Resolution<sup>[23]</sup> dated August 3, 2015 indicating its initial action on Sierra Grande's *certiorari* petition, i.e., requiring the respondents to file a comment to the petition within 10 days from notice. Elmer and Golden Apple, on one hand, and Rosvibon, on the other, complied with the directive by filing their respective comments.<sup>[24]</sup>

Despite notice, Bernardino chose not to file his own comment. Nancy, however, could not be served with a copy of the Resolution as her whereabouts are unknown.

This Court notes that when petitioner filed the motion for execution pending appeal on September 10, 2014, private respondents had yet to interpose an appeal before

the CA. As mentioned in the CA Decision<sup>[25]</sup> dated September 30, 2015, only Elmer, Golden Apple and Rosvibon filed their petitions for review to challenge the decision of the RTC affirming *in toto* the decision of the MeTC in the unlawful detainer case. <sup>[26]</sup> It appears that Bernardino and Nancy did not appeal; hence, as to them, the RTC decision had already become final and executory. In view of this supervening circumstance, the resolution of the instant case as to the propriety of the denial of the motion for execution pending appeal no longer concerns them. Ergo, the Court can dispose of the case on the merits even without acquiring jurisdiction over the person of Nancy.

In their comments, private respondents Elmer, Golden Apple and Rosvibon insist that Sierra Grande has no capacity to sue as a juridical person in view of the revocation of its certificate of registration.<sup>[27]</sup> In addition, Elmer and Golden Apple question the authority of Frank Villanueva (Frank) to sign the verification and certification against forum shopping in the certiorari petition and, ultimately, to sue on behalf of Sierra Grande in the absence of a board resolution authorizing him to do so.<sup>[28]</sup>

We uphold the capacity of Sierra Grande to institute the present petition. The Securities and Exchange Commission (SEC) initially revoked its certificate of registration on May 27, 2003 for the non-filing of the required reports, but the order of revocation was eventually lifted on December 20, 2012. Its certificate of registration was revoked again on June 21, 2013 for failure to comply with the directives of the SEC within the given period.<sup>[29]</sup> Pursuant to Section 122<sup>[30]</sup> of the Corporation Code, Sierra Grande had three years therefrom, or until June 21, 2016, to prosecute in its name any suit by or against it. Here, the petition was filed on June 29, 2015, well within the period set by law.

As a general rule, "a corporation can only exercise its powers and transact its business through its board of directors and through its officers and agents when authorized by a board resolution or its by-laws. The power of a corporation to sue and be sued is exercised by the board of directors. The physical acts of the corporation, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by a specific act of the board. Absent the said board resolution, a petition may not be given due course."<sup>[31]</sup>

By way of exception, the Court, in *Cagayan Valley Drug Corporation v. Commissioner of Internal Revenue*<sup>[32]</sup> recognized that certain officials or employees of a company could sign the verification and certification without need of a board resolution, such as, but not limited to: the Chairperson of the Board of Directors, the President of a corporation, the General Manager or Acting General Manager, Personnel Officer, and an Employment Specialist in a labor case.<sup>[33]</sup> Thus, the position held by Frank, as General Manager of Sierra Grande, qualifies him to sign the verification and certification against forum shopping in the petition before us, albeit without a board resolution.

We likewise affirm Frank's authority to sue on behalf of petitioner. Similar to the case of *Societe des Produits Nestle, S.A. v. Puregold Price Club, Inc.*,<sup>[34]</sup> there was no board resolution and/or secretary's certificate appended to the petition, but there

was a power of attorney, Special Power of Attorney (SPA)<sup>[35]</sup> in this case, appointing Frank as attorney-in-fact of Sierra Grande, with authority to file the petition. Unlike in the Nestle case where the power of attorney was signed by a single individual whose authority to execute the same was questionable, the SPA was executed and signed by majority of the directors of Sierra Grande. To our mind, it constitutes as an act of the board of directors contemplated under the law and suffices to clothe Frank with authority to represent Sierra Grande in these proceedings.

Elmer and Golden Apple further contend that the petition should have been filed with the CA.<sup>[36]</sup> They posit that petitioner failed to justify a direct resort to this Court.

This Court's original jurisdiction to issue a writ of *certiorari* is concurrent with the CA and with the RTCs in proper cases within their respective regions. However, this concurrence of jurisdiction does not grant a party seeking any of the extraordinary writs the absolute freedom to file his/her petition with the court of his/her choice.<sup>[37]</sup> Under the principle of hierarchy of courts, direct recourse to this Court is improper because the Supreme Court is a court of last resort and must remain to be so in order for it to satisfactorily perform its constitutional functions, thereby allowing it to devote its time and attention to matters within its exclusive jurisdiction and preventing the overcrowding of its dockets.<sup>[38]</sup> Therefore, as a rule, petitions for the issuance of such extraordinary writs against a regional trial court should be filed with the CA.

Nonetheless, the doctrine of hierarchy of courts is not an iron-clad rule as it in fact admits the jurisprudentially established exceptions thereto, viz.: (a) direct resort to this court is allowed when there are genuine issues of constitutionality that must be addressed at the most immediate time. A direct resort to this Court includes availing of the remedies of *certiorari* and prohibition to assail the constitutionality of actions of both legislative and executive branches of the government; (b) when the issues involved are of transcendental importance; (c) cases of first impression warrant a direct resort to this court. In cases of first impression, no jurisprudence yet exists that will guide the lower courts on this matter; (d) the constitutional issues raised are better decided by this court; (e) the time element; (f) the filed petition reviews the act of a constitutional organ; (g) petitioners have no other plain, speedy, and adequate remedy in the ordinary course of law; and (h) the petition includes questions that are dictated by public welfare and the advancement of public policy, or demanded by the broader interest of justice, or the orders complained of were found to be patent nullities, or the appeal was considered as clearly an inappropriate remedy.<sup>[39]</sup> It is not necessary that all of these exceptions must occur at the same time to justify a direct resort to this Court.<sup>[40]</sup>

We find that the instant case falls under one of the exceptions cited above, particularly the time element or the exigency of the situation being litigated. It must be emphasized that the present controversy between the parties stemmed from an ejectment case which is, by nature and design, a summary procedure and should have been resolved with expediency.<sup>[41]</sup>

Also, this Court has full discretionary power to take cognizance and assume jurisdiction over special civil actions for *certiorari* filed directly with it for