

## SECOND DIVISION

[ G.R. No. 206617, January 30, 2017 ]

**PHILIPPINE NUMISMATIC AND ANTIQUARIAN SOCIETY,  
PETITIONER, V. GENESIS AQUINO, ANGELO BERNARDO, JR.,  
EDUARDO M. CHUA, FERNANDO FRANCISCO, JR., FERMIN S.  
CARINO, PERCIVAL M. MANUEL, FERNANDO M. GAITE, JR., JOSE  
CHOA, TOMAS DE GUZMAN, JR., LI VI JU, CATALINO M.  
SILANGIL, RAMUNDO SANTOS, PETER SY, AND WILSON  
YULOQUE, RESPONDENTS.**

### D E C I S I O N

**PERALTA, J.:**

Before us is a Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court which seeks the reversal of the Decision<sup>[2]</sup> dated September 6, 2012, and Resolution<sup>[3]</sup> dated March 19, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 113864, which affirmed the dismissal of Civil Case No. 09- 122709 entitled *Philippine Numismatic and Antiquarian Society, Inc. v. Genesis Aquino, et al.* by the Regional Trial Court (RTC), Branch 24, Manila.

The factual antecedents are as follows:

Petitioner Philippine Numismatic and Antiquarian Society, Inc. (PNAS) is a non-stock, non-profit domestic corporation duly organized in accordance with Philippine Laws.<sup>[4]</sup> On October 29, 2009, petitioner filed a complaint with the RTC, Branch 24, Manila docketed as Civil Case No. 09-122388<sup>[5]</sup> praying for the issuance of a writ of a preliminary injunction against respondent Angelo Bernardo, Jr. The complaint was verified by respondents Eduardo M. Chua, Catalino M. Silangil and Percival M. Manuel who claimed to be the attorneys-in-fact of petitioner as per Secretary's Certificate attached to the complaint. Petitioner was represented by Atty. Faustino S. Tugade as counsel.<sup>[6]</sup>

On December 22, 2009, another complaint<sup>[7]</sup> was filed by petitioner against respondents Genesis Aquino, Angelo Bernardo, Jr., Eduardo M. Chua, Fernando Francisco, Jr., Fermin S. Carino, Percival M. Manuel, Fernando M. Gaite, Jr., Jose Choa, Tomas De Guzman, Jr., Li Vi Ju, Catalino M. Silangil, Raymundo Santos, Peter Sy, and Wilson Yuloque docketed as Civil Case No. 09-122709 praying that the Membership Meeting conducted by defendants on November 25, 2008 be declared null and void. It is, likewise prayed that a temporary restraining order or a writ of preliminary injunction be issued for the defendants to desist from acting as the true members, officers and directors of petitioner. The verification was signed by Atty. William L. Villareal.<sup>[8]</sup> The petitioner was represented by Siguion Reyna Montecillo and Ongsiako Law Office.<sup>[9]</sup>

On January 26, 2010, considering that there were two different parties claiming to be the representative of petitioner, the RTC issued a Joint Order directing the parties to submit within fifteen (15) days from notice the appropriate pleadings as to who are the true officers of PNAS and to submit all the documentary exhibits in support of their respective positions.<sup>[10]</sup>

Only respondents Eduardo M. Chua, Tomas De Guzman, Jr., Catalina M. Silangil, Peter Sy, Fernando Francisco, Jr., and Percival M. Manuel in Civil Case No. 09-122709 complied with the aforesaid Joint Order. In their Memorandum, they alleged that Atty. William F. Villareal who signed the verification in the complaint was not authorized by the Board of Directors of PNAS to institute the complaint in behalf of petitioner corporation, and that his action in filing the complaint is an *ultra vires* act and was in violation of Section 23 of the Corporation Code.<sup>[11]</sup> The aforesaid respondents also filed their Answer dated January 29, 2010.

On the part of respondents Genesis Aquino, Angelo Bernardo, Jr., Li Vi Ju, and Raymundo Santos, they filed a Special Entry of Appearance to Question the Issue of Improper Service of Summons and Notices and Motion to Defer the Proceedings Until All the Said Issues Have Been Resolved. Petitioner then filed a Motion to Declare Defendants in Default and for Judgment Based on the Complaint dated February 10, 2010. Petitioner likewise filed a Request for Admission<sup>[12]</sup> dated February 17, 2010.

Subsequently, on March 15, 2010, the RTC issued a Joint Order<sup>[13]</sup> dismissing the complaint, thus:

The failure of plaintiff represented by Atty. William F. Villareal who alleged in the complaint that he is the President of Philippine Numismatic and Antiquarian Society, Inc. and its duly-authorized representative to file the appropriate pleadings and submit documentary exhibits relative to his authority to file the instant complaint for and in behalf of plaintiff Philippine Numismatic and Antiquarian Society, Inc. as mandated by the order of this Court during the hearing on January 26, 2010 lends credence to the assertion of defendants that he has no authority to represent plaintiff and to file the complaint in Civil Case No. 09- 122709. Consequently, the court has no other recourse but to order the dismissal of Civil Case No. 09-122709

Accordingly, Civil Case No. 09-122709 entitled Philippine Numismatic and Antiquarian Society, Inc. versus Genesis Aquino, Angelo Bernardo, Jr., Eduardo M. Chua, Fernando Francisco, Jr., Fermin S. Carino, Percival M. Manuel, Fernando M. Gaite, Jr., Jose Choa, Tomas De Guzman, Jr., Li Vi Ju, Catalina M. Silangil, Raymundo Santos, Peter Sy, and Wilson Yuloque is hereby ordered DISMISSED.

This Order likewise renders moot and academic the Motion to Declare Defendants in Default and For Judgment Based on the Complaint filed by plaintiff in Civil Case No. 09-122709.

SO ORDERED.<sup>[14]</sup>

Petitioner then filed a Petition for Review<sup>[15]</sup> dated May 12, 2010 with the CA under Rule 43 of the Rules of Court, in relation to A.M. No. 04-09-07 dated September 14,

2004. In a Decision dated September 6, 2012, the CA dismissed the petition.

Petitioner filed a motion for reconsideration,<sup>[16]</sup> but the same was denied by the CA on March 19, 2013.

Hence, this petition, raising the following issues:

### I

THE COURT OF APPEALS COMMITTED A GRAVE ERROR WHEN IT UPHELD THE DISMISSAL OF THE INTRA-CORPORATE CASE FOR PURPORTEDLY BEING A NUISANCE SUIT;

### II

THE COURT OF APPEALS COMMITTED A GRAVE ERROR WHEN IT REFUSED TO CONSIDER, CONTRARY TO ESTABLISHED JURISPRUDENCE, A BOARD RESOLUTION/SECRETARY'S CERTIFICATE AS PROOF OF AUTHORITY TO FILE INITIATORY PLEADINGS FOR AND ON A COMPANY'S BEHALF;

### III

THE COURT OF APPEALS DEPARTED FROM THE USUAL COURSE OF PROCEDURE WHEN IT DISMISSED THE CASE ON PROCEDURAL GROUNDS RATHER THAN ON THE MERITS AND THUS PRECLUDING PETITIONER FROM A JUST AND PROPER DETERMINATION OF ITS CASE.

<sup>[17]</sup>

We deny the petition.

There is no question that a litigation should be disallowed immediately if it involves a person without any interest at stake, for it would be futile and meaningless to still proceed and render a judgment where there is no actual controversy to be thereby determined. Courts of law in our judicial system are not allowed to delve on academic issues or to render advisory opinions. They only resolve actual controversies involving rights that are legally demandable and enforceable.<sup>[18]</sup>

The Rules of Court, specifically Section 2 of Rule 3 thereof, requires that unless otherwise authorized by law or the Rules of Court, every action must be prosecuted or defended in the name of the real party-in-interest, thus:

*Sec. 2. Parties-in-interest.* — A real party-in-interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party-in-interest.

This provision has two requirements: (1) to institute an action, the plaintiff must be the real party-in-interest; and (2) the action must be prosecuted in the name of the real party-in-interest. Interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case, as distinguished from mere curiosity about the question involved. One having no material interest to protect cannot invoke the jurisdiction of the court as the plaintiff in an action.<sup>[19]</sup>

The Interim Rules of Procedure for Intra-Corporate Controversies under Republic Act No. 8799 in A.M. No. 01-2-04-SC, effective on April 1, 2001 considers the suppletory application of the Rules of Court under Section 2, Rule 1, thus:

Section 2. *Suppletory application of the Rules of Court.* - The Rules of Court, in so far as they may be applicable and are not inconsistent with these Rules, are hereby adopted to form an integral part of these Rules.

Moreover, We consider the summary nature of the proceedings governed by the Interim Rules which is premised on one objective which is the expeditious disposition of cases.<sup>[20]</sup>

The purposes of the requirement for the real party in interest prosecuting or defending an action at law are: (a) to prevent the prosecution of actions by persons without any right, title or interest in the case; (b) to require that the actual party entitled to legal relief be the one to prosecute the action; (c) to avoid a multiplicity of suits; and (d) to discourage litigation and keep it within certain bounds, pursuant to sound public policy.<sup>[21]</sup>

The rule on real party-in-interest ensures, therefore, that the party with the legal right to sue brings the action, and this interest ends when a judgment involving the nominal plaintiff will protect the defendant from a subsequent identical action. Such a rule is intended to bring before the court the party rightfully interested in the litigation so that only real controversies will be presented and the judgment, when entered, will be binding and conclusive and the defendant will be saved from further harassment and vexation at the hands of other claimants to the same demand.<sup>[22]</sup>

In the case at bar, PNAS, as a corporation, is the real party-in-interest because its personality is distinct and separate from the personalities of its stockholders. A corporation has no power, except those expressly conferred on it by the Corporation Code and those that are implied or incidental to its existence. In turn, a corporation exercises said powers through its board of directors and/or its duly-authorized officers and agents. Thus, it has been observed that the power of a corporation to sue and be sued in any court is lodged with the board of directors that exercises its corporate powers. In turn, 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 of directors.<sup>[23]</sup> It necessarily follows that "an individual corporate officer cannot solely exercise any corporate power pertaining to the corporation without authority from the board of directors".<sup>[24]</sup>

Section 23, in relation to Sec. 25 of the Corporation Code, clearly enunciates that all corporate powers are exercised, all business conducted, and all properties controlled by the board of directors. A corporation has a separate and distinct personality from its directors and officers and can only exercise its corporate powers through the board of directors. Thus, it is clear that an individual corporate officer cannot solely exercise any corporate power pertaining to the corporation without authority from the board of directors.<sup>[25]</sup> Absent the said board resolution, a petition may not be given due course. The application of the rules must be the general rule, and the suspension or even mere relaxation of its application, is the exception. This Court may go beyond the strict application of the rules only on exceptional cases when there is truly substantial compliance with the rule.<sup>[26]</sup>