

Title:

Philippine Numismatic and Antiquarian Society, Inc. v. Genesis Aquino, et al.

Facts:

The Philippine Numismatic and Antiquarian Society, Inc. (PNAS), a non-stock, non-profit corporation, faced an internal dispute regarding its legitimate representatives and officers, resulting in two separate complaints filed with the Regional Trial Court (RTC), Branch 24, Manila.

On October 29, 2009, a complaint was filed (Civil Case No. 09-122388) seeking a preliminary injunction against respondent Angelo Bernardo, Jr. This complaint was verified by respondents claiming to be attorneys-in-fact of PNAS per a Secretary's Certificate. Represented by Atty. Faustino S. Tugade, this faction sought to enjoin Bernardo from acting on behalf of PNAS.

Subsequently, on December 22, 2009, a second complaint (Civil Case No. 09-122709) was filed by another faction of PNAS, this time represented by Siguion Reyna Montecillo and Ongsiako Law Office, against several respondents, including Bernardo and the earlier co-plaintiffs. The petition requested a declaration that a membership meeting held on November 25, 2008, was null and void. Atty. William L. Villareal verified the complaint, and a TRO or writ of preliminary injunction was prayed for against the defendants.

Considering the conflicted representation of PNAS, the RTC issued a Joint Order on January 26, 2010, asking parties to submit pleadings to clarify who the true officers of PNAS were. Only one faction complied, claiming that Atty. Villareal had no authority to file the complaint on PNAS's behalf. The other faction filed a Motion to Declare Defendants in Default and a Request for Admission but did not comply with the RTC's order to prove authority.

On March 15, 2010, the RTC dismissed Civil Case No. 09-122709 due to Atty. Villareal's failure to show authority to represent PNAS.

PNAS, represented by Atty. Villareal, appealed to the Court of Appeals (CA), which dismissed the petition. The CA's decision was reaffirmed on March 19, 2013, leading PNAS to elevate the matter to the Supreme Court of the Philippines.

Issues:

1. Whether the CA committed an error in upholding the dismissal of the intra-corporate case for purportedly being a nuisance suit.

2. Whether the CA erred in not considering a Board Resolution/Secretary's Certificate as proof of authority to file pleadings on behalf of a company.
3. Whether the CA departed from usual procedures by dismissing the case on procedural grounds rather than on merits, precluding a just and proper determination of the case.

Court's Decision:

The Supreme Court denied the petition, affirming the rulings of the CA and the RTC that Atty. Villareal did not have the authority to file the complaint on behalf of PNAS. The Court emphasized the requirement that all actions must be prosecuted in the name of the real party-in-interest, and a corporation can only act through its board of directors or duly authorized officers. The power of a corporation to sue and be sued is vested in the board of directors. Furthermore, the Interim Rules of Procedure for Intra-Corporate Controversies and the Rules of Court both require that actions be pursued by the real party-in-interest, which in this case, is the PNAS represented by its rightful authority. Since Atty. Villareal had not demonstrated his authority from the board when he filed the complaint and signed the verification and certification against forum shopping, the case was properly dismissed for lack of cause of action.

Doctrine:

Corporate actions must be prosecuted in the name of the real party-in-interest, which, for a corporation, requires authorization by the board of directors or officers duly authorized by the board. Actions filed without such authorization are considered to have no legal effect and would not be recognized by the court, warranting dismissal of the case.

Class Notes:

- Real party-in-interest is one who has a material interest in the outcome of the litigation and is entitled to the avails of the suit.
- Corporate actions require express authorization from the board of directors.
- Verification and certification against forum shopping must be signed by a person duly authorized by the corporation.
- Courts do not take judicial notice of corporate board resolutions or officer's authority; such authorization must be demonstrated.
- Lack of cause of action due to lack of authority to sue on behalf of a corporation leads to dismissal of the case.

Historical Background:

The case is rooted in an intra-corporate dispute over the legitimacy of officers and

representation within the PNAS. This internal conflict led to the emergence of two factions each asserting authority over the organization and took their battle to the judicial courts. The outcome of the Supreme Court decision underscores the strict compliance with corporate governance and the importance of authority emanating from the board of directors when legal representation is claimed in a corporate setting.