

Title: Lazaro Madara, Alfredo D. Roa III, and Joaquin T. Venus vs. Hon. Norma C. Perello et al.

Facts: This case involves a complex legal battle over the control of Provident International Resources Corporation (PIRC), revolving around two consolidated amended complaints filed in the Regional Trial Court (RTC) of Muntinlupa City by individuals claiming to be the newly elected directors and officers of PIRC. The plaintiffs sought to direct PAGCOR, a lessee of a PIRC property, to remit lease payments to them instead of the corporation's former officers. In response, an Answer in Intervention was filed by the actual directors and officers of PIRC (referred to as real PIRC) asserting their legitimate positions within the corporation and claiming the plaintiffs were not PIRC stockholders but mere pretenders. The litigation proceeded to the RTC, which issued various orders including temporary restraining orders and writs of injunction in favor of real PIRC. After the trial, the RTC ruled against the plaintiffs, affirming the legitimacy of the real PIRC's directors and officers and directing the plaintiffs to return the improperly received PAGCOR rental payments. The plaintiffs sought recourse through appeals and petitions to higher courts, which led to rulings on procedural matters such as the proper mode of review and allegations of forum shopping.

Issues: The Supreme Court addressed whether the Court of Appeals erred in: (1) not finding that the respondent judge acted with grave abuse of discretion or without jurisdiction in holding the petitioners personally liable despite their not being parties to the case, and (2) finding the petitioners guilty of forum shopping.

Court's Decision: The Supreme Court dismissed the petition for review on certiorari, upholding the Court of Appeals' decisions. It determined that the petitioners engaged in forum shopping and found no merit in their claims of not being parties to the consolidated civil cases. The Court held that the individual petitioners had indeed pursued their interests in the guise of representing PIRC and could be held liable for the RTC's decisions. Furthermore, the Court indicated that the petitioners misused judicial processes through their inconsistent submissions and failure to disclose material information, which amounted to an abuse of the court system.

Doctrine: This case reaffirms the prohibition against forum shopping, emphasizing its grave implications on the integrity of judicial proceedings. It underscores the principle that parties cannot engage in deceptive practices or manipulate judicial processes for their advantage. The Court also reiterated the importance of transparency and honesty in all court dealings, including the requirement to inform the court of other pending related cases.

Class Notes:

- **Forum Shopping**: The act of filing multiple cases based on the same cause of action, seeking a favorable opinion from different courts. This practice is prohibited and may lead to the dismissal of the case.
- **Rule 65 (Certiorari)**: This Rule of Court provides the procedure for seeking judicial review of decisions rendered by lower courts or tribunals that are alleged to have acted without or in excess of jurisdiction or with grave abuse of discretion.
- **Corporate Representation in Litigation**: Individuals claiming to represent a corporation must have the proper authority and standing, evidenced through corporate board resolutions or equivalent authorizations.
- **Responsibility for Litigation Outcomes**: Individuals who represent themselves as corporate officers or directors and engage in litigation in such capacities may be held personally liable for the outcomes if they misuse their alleged positions or engage in fraudulent actions.

Historical Background: This case highlights the complexities arising from intra-corporate disputes, particularly when it involves the control and management of corporations. It illustrates the challenges courts face in adjudicating claims involving corporate representation, authority, and the proper recourse for aggrieved parties in corporate litigation. Moreover, it emphasizes the judicial system's intolerance for practices that undermine the administration of justice, such as forum shopping.