

**Title**: Alabang Corporation vs. Alabang Hills Village Association and Rafael Tinio

**Facts**:

1. **Initial Complaint**:

- **Date**: October 19, 2006

- **Plaintiff**: Alabang Development Corporation (ADC)

- **Defendants**: Alabang Hills Village Association (AHVAI) and Rafael Tinio (President of AHVAI)

- **Claim**: ADC, as the developer of Alabang Hills Village, still owns certain parcels of land including open spaces not yet donated. ADC alleged that AHVAI began constructing a multi-purpose hall and a swimming pool on ADC's property without consent and refused to stop despite demands.

- **Relief Sought**: Issuance of an injunction to stop the construction.

2. **Answer and Counterclaim by AHVAI**:

- **Claims**: ADC had no legal capacity to sue (corporate registration revoked by SEC on May 26, 2003), no cause of action (property held in trust for AHVAI), property designated as required open space.

- **Counterclaim**: Sought an order divesting ADC of the property title, declaring AHVAI as the owner, and seeking moral and exemplary damages plus attorney's fees.

3. **Separate Answer and Counterclaim by Tinio**: Aligned with AHVAI's defenses and counterclaim.

4. **RTC Decision**:

- **Date**: January 4, 2007

- **Ruling**: Complaint dismissed due to ADC's lack of personality (defunct corporation), property reserved for the homeowners' use, HLURB had exclusive jurisdiction.

- **ADC's Action**: Filed a Notice of Appeal.

- **AHVAI's Action**: Sought to prosecute the compulsory counterclaim.

5. **RTC Order**:

- **Date**: February 20, 2007

- **Ruling**: Approved ADC's appeal, dismissed AHVAI's counterclaim due to its dependency on ADC's complaint.

6. **Court of Appeals (CA) Decision**:

- **Date**: March 27, 2009

- **Ruling**: Dismissed both appeals, affirmed RTC's decision, upheld ADC's incapacity to file the complaint post-dissolution.

**Issues**:

1. **Capacity to Sue**: Whether ADC, whose corporate registration had been revoked and beyond the three-year liquidation period, had the capacity to initiate the complaint.
2. **Relevance of Columbia Pictures Case**: Whether the CA erred in relying on *Columbia Pictures, Inc. v. Court of Appeals* to resolve ADC's lack of capacity.
3. **Mandate to Cede Properties**: Whether ADC is mandated to cede properties to AHVAI.

**Court's Decision**:

1. **Capacity to Sue**:

- **Ruling**: ADC lacked the capacity to sue as it no longer had juridical personality post-dissolution and beyond the three-year period in Section 122 of the Corporation Code.
- **Basis**: Defined 'lack of capacity to sue' includes general disabilities like loss of juridical personality post-dissolution.
- **Highlight**: Suits by a corporation abate post-dissolution unless prosecuted by trustees within the statutory period.
- **Relevant Cases**: *Gelano v. CA*, *Knecht v. United Cigarette Corp.*, *Pepsi-Cola Products v. CA*—citations confirmed pending actions may continue post-dissolution but did not support initiating suits.

2. **Relevance of Columbia Pictures Case**:

- **Ruling**: CA correctly cited *Columbia Pictures* to clarify definitions of 'lack of capacity to sue'.
- **Clarification**: The court emphasized it was appropriate for distinguishing 'lack of capacity' and 'lack of personality' regardless of the foreign corporation context of *Columbia Pictures*.

3. **Mandate to Cede Properties**:

- **Ruling**: Secondary to the capacity issue. Once incapacity was established, further issues were moot.
- **Position**: Court declined to address this secondary issue substantively.

**Doctrine**:

- **Section 122** of the Corporation Code: Post-dissolution, a corporation continues for three years for limited purposes (prosecuting and defending suits, settling affairs).

- **Lack of Capacity to Sue**: Denotes general disabilities such as loss of juridical personality or statutory disqualifications.

**Class Notes**:

1. **Corporate Dissolution**: Upon dissolution, corporations have a three-year winding-up period to handle legal suits.
2. **Legal Capacity vs. Personality**: Clear distinction, essential for understanding corporate litigation.
3. **Section 122**: Critical for cases involving dissolved corporations and their capacity to engage in legal actions post-dissolution.
4. **Notable Precedent**: Columbia Pictures case for defining capacity issues.

**Historical Background**:

- **Context**: This case reflects complexities in property development and management, highlighting issues related to corporate law and homeowner association rights.
- **Significance**: It underscores the legal ramifications of a company's dissolution and emphasizes procedural adherence for corporate legal actions post-dissolution in Philippine law.