

****Title:**** Dacanay v. Baker & McKenzie, G.R. No. L-38340, Philippine Supreme Court (1983)

****Facts:****

Adriano E. Dacanay, an attorney admitted to the bar in 1954, filed a verified complaint in 1980 against Baker & McKenzie and ten individual lawyers for unlawfully practicing law under a foreign firm's name. In a letter dated November 16, 1979, Vicente A. Torres, using Baker & McKenzie's letterhead that included the names of ten lawyers, requested Rosie Clurman to release 87 shares of Cathay Products International, Inc. to H. E. Gabriel, a client. Dacanay responded on December 7, 1979, requesting whether Gabriel's lawyer was Baker & McKenzie and why Torres used another firm's letterhead. Receiving no reply, Dacanay filed this complaint to enjoin the respondents.

****Procedural Posture:****

Dacanay's complaint was initially reviewed, and various legal submissions ensued. The respondent's memorandum admitted that Baker & McKenzie was a professional partnership organized in Chicago, Illinois, with members in 30 global cities. The respondents, although Philippine bar members practicing under the firm name Guerrero & Torres, were also Baker & McKenzie members or associates. This scenario led to the Supreme Court's involvement to determine the legality and ethics of such practice under Philippine law.

****Issues:****

1. Can an alien law firm practice law within the Philippines?
2. Is the use of the name "Baker & McKenzie" by the Filipino respondents ethical and permissible under Philippine law?

****Court's Decision:****

The Supreme Court ruled that Baker & McKenzie, being an alien law firm, could not practice law in the Philippines under Section 1, Rule 138 of the Rules of Court. The firm's establishment in Chicago, Illinois, and its global associates did not grant it authorization to practice within the Philippine jurisdiction.

****Issue 1 Resolution:****

The Court confirmed that an alien law firm cannot engage in legal practice in the Philippines, reiterating it violates Section 1, Rule 138 of the Rules of Court, which restricts law practice exclusively to individuals duly authorized to practice within the nation.

****Issue 2 Resolution:****

The Court deemed the respondents' use of Baker & McKenzie's firm name as unethical. It created an erroneous representation that the respondents, through their association with Baker & McKenzie, could supply high-caliber legal services to international business operations, despite the foreign firm not being authorized to operate legally within the Philippines.

****Doctrine:****

The pivotal doctrine established in this case is that foreign law firms cannot practice law in the Philippines. Further, the use of a foreign law firm's name by local lawyers constitutes an unethical representation and potentially misleading conduct.

****Class Notes:****

- ****Key Elements:****

- Legal practice permission (Section 1, Rule 138, Rules of Court).
- Ethical practice and representation in law.

- ****Statutory Provisions:****

- Section 1, Rule 138, Rules of Court: Restricts law practice to those authorized by national regulatory bodies.
- Ethical standards as emphasized in Ruben E. Agpalo's "Legal Ethics."

- ****Application:****

- The case demonstrates unauthorized practice and ethical breaches, guiding students on the importance of local authorization and honest representation.

****Historical Background:****

During the late 20th century, the globalization of businesses led many multinational law firms to seek broader jurisdictions. This case serves as a historical point where the judiciary reasserted national sovereignty and ethical standards over local legal practices amidst increasing globalization pressures. The Supreme Court's decision reflects its commitment to maintaining jurisdictional integrity and ethical legal profession standards.