

Title: Dy Teban Trading, Inc. vs. Peter C. Dy, Johnny C. Dy, and Ramon C. Dy

Facts:

1. Dy Teban Trading, Inc. (DTTI), a domestic closed corporation owned by the Dy siblings, faced internal disputes. On September 7, 2004, DTTI filed for an injunction against Peter C. Dy, Johnny C. Dy, and Ramon C. Dy (respondents) in the Regional Trial Court (RTC) of Butuan City, claiming Johnny C. Dy squandered company funds from the Montilla branch.
2. In response, the respondents filed for the corporation's dissolution. However, the dissolution case was dismissed when they failed to pay the necessary fees. Both cases were consolidated in the RTC's Branch 33, the designated commercial court.
3. Key witness Lorencio C. Dy's cross-examination by the respondents was delayed multiple times due to procedural complications and counsel issues, eventually being reset to numerous dates between 2005 and 2007. The respondents' counsel repeatedly missed hearings or requested postponements, citing health issues and scheduling conflicts.
4. On June 18, 2007, neither of respondents' counsel appeared nor filed a motion to postpone, leading DTTI to motion for a waiver of respondents' right to cross-examine, which the RTC granted.
5. Respondents challenged this RTC Order in the Court of Appeals (CA) on November 16, 2007, via a certiorari petition but did not seek a temporary restraining order (TRO).
6. The RTC rendered a Decision on August 22, 2008, favoring DTTI based on the unopposed testimony and evidence, granting injunction and damages amounting to millions of pesos.
7. Respondents filed a second supplemental petition with the CA after the RTC decision and the denial of their motion for continuance on May 26, 2008, was struck off the records. The CA eventually nullified the RTC's decisions and remanded the case, prompting DTTI to petition the Supreme Court.

Issues:

1. Was the action for injunction properly an intra-corporate case, justifying the jurisdiction of the RTC as a commercial court?
2. Did the Court of Appeals err in reversing the RTC's findings that respondents waived their rights to cross-examine DTTI's witness and present evidence due to procedural lapses?

Court's Decision:

1. Intra-corporate Jurisdiction: The Supreme Court disagreed with the CA, affirming that the intra-corporate relationship and nature of the controversy tangentially supported RTC jurisdiction to hear the matter. Still, it cited established procedure adherence rather than core jurisdictional issues.

2. Waiver of Cross-Examination: The Supreme Court upheld the RTC's waiver decision, finding respondents failed, due to counsel absenteeism and procedural neglect, to exercise their right to cross-examine after several chances, consistent with established jurisprudence on implied waiver.

3. Presentation of Evidence Waiver: The Supreme Court determined that respondents impliedly waived their right to present evidence by not appearing on set trial dates with no acceptable excuse, emphasizing the necessity for procedural discipline and trial progression hitherto stuck in procedural stasis.

#### Doctrine:

- The waiver of procedural rights, such as cross-examination or presenting evidence, can be implied through parties' conduct and repeated neglect to adhere to procedural timelines and requirements.

#### Class Notes:

- Intra-corporate Disputes: Requires both relationship and nature of controversy tests which examine corporate stakeholder relations and internal right obligations for court jurisdiction.

- Waiver of Rights: Can be implied through inaction or procedural neglect, demanding parties and counsel engaged in litigation adhere strictly to procedural schedules set by the court.

- Procedural Due Process: Involves opportunities for hearing and defense, not the compulsion of actual action—it's satisfied through chance, not necessarily exercise.

#### Historical Background:

- The case reflects judicial reforms redirecting commercial disputes to designated RTC branches after SEC jurisdiction was redefined, introducing procedural complexities balancing speedy resolutions against procedural due process rights in corporate governance litigation.