

****Title:****

Gonzales v. GJH Land, Inc.

****Facts:****

- ****Purchase of Shares:**** On February 1, 2010, petitioners Manuel Luis C. Gonzales and Francis Martin D. Gonzales allegedly bought shares from S.J. Global, Inc. Their subscriptions were purportedly fully paid and recorded in the books of S.J. Land, Inc. (now GJH Land, Inc.).
- ****Offer for Sale:**** On May 13, 2011, GJH Land, Inc., through its officers Chang Hwan Jang, Sang Rak Kim, and Mariechu N. Yap, demanded payment for unpaid subscriptions from the petitioners, claiming amounts of P10,899,854.30 and P2,625,249.41 respectively.
- ****Notice of Sale:**** Subsequently, on July 29, 2011, GJH Land, Inc. offered petitioners' shares for sale to other stockholders.
- ****Petitioners' Response:**** On August 4, 2011, the petitioners filed a complaint before the RTC of Muntinlupa City, seeking to enjoin the sale of said shares, arguing that they were already fully paid.
- ****Procedural Posture:****
- ****Temporary Injunction:**** RTC Branch 276 issued a temporary restraining order on August 9, 2011, and later a preliminary injunction on August 24, 2011.
- ****Motion to Dismiss:**** Respondents filed a motion to dismiss for lack of jurisdiction, arguing the case was an intra-corporate dispute and should be heard by the Special Commercial Court.
- ****RTC Ruling:**** On April 17, 2012, RTC Branch 276 granted the motion to dismiss, stating it lacked jurisdiction.
- ****Motion for Reconsideration:**** Petitioners filed a motion for reconsideration, which was denied on July 9, 2012.

****Issues:****

1. ****Jurisdiction over Intra-corporate Disputes:**** Whether RTC Branch 276 erred in dismissing the case for lack of jurisdiction over an intra-corporate dispute.
2. ****Proper Course of Action Regarding Misraffled Cases:**** What should be the procedural handling of a commercial case wrongly raffled to a regular RTC branch instead of the designated Special Commercial Court?

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

1. ****Jurisdiction over Civil Case No. 11-077:****
- ****Jurisdiction Acquired:**** The Supreme Court ruled that the RTC of Muntinlupa City had

jurisdiction over the subject matter once the case was filed with its Office of the Clerk of Court.

- **Erroneous Raffling:** The misraffling of Civil Case No. 11-077 to RTC Branch 276 instead of to Branch 256 was a procedural error.

2. **Proper Course of Action:**

- **Referral to Executive Judge:** The case should not have been dismissed; instead, Branch 276 should have referred the case to the Executive Judge for re-docketing as a commercial case to be assigned to Branch 256.

- **Additional Guidelines:** The Court laid down guidelines for handling similarly misraffled cases.

Doctrine:

- **Jurisdiction and Procedure:** Jurisdiction over the subject matter is distinct from the procedural execution of jurisdiction. Procedural or procedural errors in assignment should not negate a court's initially acquired jurisdiction.

- **Proper Handling of Misraffled Cases:** Courts should transfer such cases to the appropriate branch rather than dismiss them.

Class Notes:

1. **Key Elements:**

- **Intra-corporate Disputes:** Involves relationships and obligations among or between stockholders, and the corporation.

- **Jurisdiction Transfer:** Under RA 8799, jurisdiction over intra-corporate disputes is vested in RTC branches designated as Special Commercial Courts.

2. **Statutory Provisions:**

- **RA 8799, Section 5.2:** Transfer of jurisdiction from SEC to the RTCs and allows the Supreme Court to designate specific branches.

- **BP 129 Section 19(6):** Confers general jurisdiction to RTCs.

Historical Background:

- **Legislative Reforms:** RA 8799, enacted in 2000, reallocated jurisdiction from the SEC to RTCs to streamline dispute resolutions related to corporate matters.

- **Supreme Court Designations:** Special Commercial Courts were designated to specifically handle these types of cases to improve efficiency and specialization.

This context underlines significant legislative and judicial efforts to handle specialized corporate disputes efficiently and the evolving jurisprudence on jurisdiction and procedural

mechanics in the Philippine legal system.