

**DOMINIC GERARD GRIFFITH, LARA KRISTINE S. GRIFFITH AND
GRIFFITH SUISSE LUXURY GROUP, INC., PETITIONERS, VS. HON.
JUDGE AMELIA A. FABROS, IN HER CAPACITY AS PRESIDING JUDGE
OF RT...**

Ponente: INTING, S.B., J.

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INTING, S.B., J.:

Before us is a Petition for Certiorari[1] with application for issuance of Temporary Restraining Order and/or Preliminary Injunction[2] seeking to nullify the Orders dated 31 January 2011[3] and 07 February 2012[4] issued by public respondent Regional Trial Court (RTC), Branch 205, Muntinlupa City, in Civil Case No. 08-095 entitled, "Mark Merchant Solution, LLC., Plaintiff, -versus- Dominic Gerard Griffith, et. al., Defendants, " which annulled its Order[5] dated 27 July 2009 and denied herein petitioner's motion for reconsideration, respectively.

THE FACTS

The antecedents are as follows:

Private respondent Landmark Merchant Solutions, LLC., is a foreign corporation organized and existing pursuant to the laws of United States of America (USA) with no license to engage in business in the Philippines, as it is not doing business in the Philippine; while petitioner Dominic Gerard Griffith is an Australian national, residing in the Philippines with her wife petitioner Lara Kristine S. Griffith, a Filipino citizen.

Private respondent corporation is engaged in the business of providing credit card proceeding services to businesses located throughout the United States of America.

Herein petitioners are engaged in the business of manufacturing goods, such as furnitures, and trading the same on an import and export and wholesale basis.

In 2003, petitioners allegedly using corporate name Mahogany House DBA Georgian Lane entered into Bankard Agreement with private respondent corporation. Petitioners are to sell furniture at petitioners' retail location at 430 S. Main St. Suite 405, High Point NC 272260. Between the dates 23 May 2004 and 7 April 2005 the petitioners allegedly processed USD\$1,173,113.99 in Visa and Mastercard transactions.

On 17 February 2006, a new Bankard Agreement was entered into by the parties whereby petitioners were approved to sell furniture as a Mail/Order business from their 656 W. Ward Ave., High Point, NC 27260 Location. Allegedly, petitioner Dominic Gerard Griffith executed a personal guaranty on this new Bankard Agreement.

On January 2007, petitioners' customers allegedly disputed credit card sales for not receiving the merchandise that was promised to be delivered by petitioners.

Petitioners allegedly failed to deliver furnitures to customers who made deposits of their payment using their credit cards. Petitioners then failed and refused to refund the deposits made by its customers and that respondent

corporation, as the credit card processor for the petitioners, refunded the same to petitioners' customers. Respondent corporation attempted to recover from petitioners based on the alleged personal guaranty petitioner Dominic executed but to no avail.

In 2007 respondent corporation discovered that the corporate name The Mahogany House, Inc., DBA Georgian Lane has been changed to Griffith Suisse Luxury Group, Inc and that all assets of petitioners are now transferred to the same corporation. Thus, respondent corporation filed a complaint[6] to recover sum of money against petitioners.

On 24 September 2008 petitioners filed a Motion to Dismiss alleging that the Complaint lacks proper verification, the court lacks jurisdiction over the subject matter, lack of legal capacity to sue of the person who filed the action, and that there is failure to state a cause of action.

On 27 July 2009 the Regional Trial Court (RTC), Branch 205, Muntinlupa City, rendered an Order, the dispositive portion of which reads:

"WHEREFORE, as prayed for, this case is hereby dismissed for lack of jurisdiction over the subject matter.

SO ORDERED."[7]

On 8 September 2009 private respondent filed a motion for reconsideration[8].

On 31 January 2011 the Regional Trial Court (RTC), Branch 205, Muntinlupa City, rendered an Order,[9] the dispositive portion of which is as follows:

"WHEREFORE, finding merit in plaintiff's motion for reconsideration, the court hereby recalls, annuls and sets aside its Order dated 27 July 2009 dismissing the case.

SO ORDERED."[10]

Petitioners then filed a motion for reconsideration.

On 07 February 2012 the trial court rendered an Order[11], the dispositive portion states, to wit:

"WHEREFORE, premises considered, the court hereby denies defendants' [herein petitioners'] Motion for Reconsideration.

SO ORDERED."[12]

Feeling aggrieved, petitioners filed the present petition.

THE PETITION

In their petition[13], petitioners assigned the following errors of the trial court:

"A. The Honorable Trial Court committed grave abuse of discretion amounting to lack or excess of jurisdiction in reversing its previous Order dated 27 July 2009 and in holding that the Honorable Trial Court has jurisdiction over the instant Complaint.

B. The Honorable Trial Court committed grave abuse of discretion amounting to lack or excess of jurisdiction in not dismissing the instant Complaint for failure to state a cause of action against the Petitioners.

C. The Honorable Trial Court committed grave abuse of discretion amounting to lack or excess of jurisdiction in not holding that Private Respondent has no legal capacity to sue in the Philippines.

D. The Honorable Trial Court committed grave abuse of discretion amounting to lack or excess of jurisdiction in not dismissing the instant Complaint for not being properly verified and for lacking a proper certification

against non-forum shopping, as required by Sections 4 and 5, Rule 7, of the Rules of Court." [14]

Petitioners ascribed grave abuse of discretion to the public respondent. They claimed that the trial court erred in holding that it has jurisdiction over the private respondents' complaint. Petitioners contended that public respondent should have dismissed respondents' complaint for it failed to state a cause of action against them and that private respondents have no legal capacity to sue in the Philippines.

Petitioners are convinced that the trial court gravely abused its discretion amounting to lack or excess of jurisdiction when it entertained private respondents' complaint despite it not being properly verified and its non-compliance for proper certification against forum shopping as required by the Rules of Court. Thus, petitioners concluded that public respondent committed grave abuse of discretion in reversing its 27 July 2009 Order and in denying their motion for reconsideration.

THIS COURT'S RULING

The issue to be resolved in this case is whether the trial court gravely abused its discretion amounting to lack or excess of jurisdiction when it set aside its 27 July 2009 Order and denied petitioners' motion for reconsideration.

We rule in the negative.

A Rule 65 petition is a unique and special rule because it commands a limited review of the question raised. As an extraordinary remedy, its purpose is simply to keep the public respondent within the bounds of its jurisdiction or to relieve the petitioner from the public respondent's arbitrary acts. In this review, the Court is confined solely to questions of jurisdiction whenever a tribunal, board or officer exercising judicial or quasi-judicial functions acts without jurisdiction or in excess of jurisdiction, or with grave abuse of discretion amounting to lack of jurisdiction. [15] In concrete terms, the questioned ruling must stand unless there is absolutely no evidence to support the public respondent's finding or unless the evidence does not meet the quantum of proof required by the rules. The commission of mere abuse of discretion and mere errors of judgment does not warrant the issuance of a writ of certiorari to set aside or modify the questioned ruling. [16]

It is now necessary to determine whether or not the ruling in question was supported by evidence.

It has been held that the jurisdiction of a court over the subject matter of a particular action is determined by the plaintiff's allegations in the complaint and the principal relief he seeks in the light of the law that apportions the jurisdiction of courts. [17] Jurisdiction should be determined by considering not only the status or the relationship of the parties but also the nature of the issues or questions that is the subject of the controversy. [18]

The case filed against petitioners is an action for sum of money, a civil case. It must be remembered that the corporations involved namely: Mahogany House and respondent Landmark Merchant Solutions, LLC., were incorporated and registered in the United States of America, while Griffith Suisse Luxury Group, Inc. was incorporated and registered in the Philippines. The Bankard Agreements between these two corporations, Mahogany House and respondent Landmark Merchant Solutions, LLC., were entered in the United States of America, as well as the alleged personal guaranty or obligations under the same were executed, and the transactions relative to said agreements such as selling, buying and processing of credit cards were performed, within United States of America's territory.

Be that as it may, the parties, in the case at bar, did not stipulate that only the courts of United States, to the exclusion of all the rest, has jurisdiction. Neither did they divest Philippine courts of jurisdiction. In International Law, jurisdiction is often defined as the right of a State to exercise authority over persons and things within its boundaries subject to certain exceptions. Thus, a State does not assume jurisdiction over traveling sovereigns, ambassadors and diplomatic representatives of other States, and foreign military units stationed in or marching

through State territory with the permission of the latter's authorities. This authority, which finds its source in the concept of sovereignty, is exclusive within and throughout the domain of the State. A State is competent to take hold of any judicial matter it sees fit by making its courts and agencies assume jurisdiction over all kinds of cases brought before them.[19]

A simple perusal of the records will reveal that petitioners are residents of the Philippines. Consistent with our state's sovereignty, Philippine Courts especially the Regional Trial Court, in this case, is competent to take cognizance and decide this judicial controversy brought before it.

Petitioners' claim that the complaint against them should have been filed in the United States of America is based merely on a technicality. Petitioners did not even claim, much less prove, that the filing of the action here will cause them any unnecessary trouble, damage, or expense. On the other hand, there is no showing that private respondents filed the action here just to harass petitioners.

While it is true that "the transaction took place in American setting" and that the Bankard Agreements contain no choice-of-forum clause, the very essence of due process dictates that "all rights, obligations and liabilities arising from said transaction or agreements may be enforced by private respondents against petitioners. We hereby agree that the trial court has jurisdiction over the civil case filed before it.

One basic principle underlies all rules of jurisdiction in International Law: a State does not have jurisdiction in the absence of some reasonable basis for exercising it, whether the proceedings are in rem, quasi in rem or in personam. To be reasonable, the jurisdiction must be based on some minimum contacts that will not offend traditional notions of fair play and substantial justice.[20] xxx xxx xxx In the ordinary habits of life, anyone would be disinclined to litigate before a foreign tribunal, with more reason as a defendant. However, in this case, petitioners are Philippine residents (a fact which was not disputed by them) who would rather face a complaint against them before a foreign court and in the process incur considerable expenses, not to mention inconvenience, than to have a Philippine court try and resolve the case. Petitioners' stance is hardly comprehensible, unless their ultimate intent is to evade, or at least delay, the payment of a just obligation.[21]

Anent the issue on whether Ivy N. Boter was properly authorized by private respondent corporation to sign the certification against forum shopping on its behalf.

We rule in the affirmative.

The Supreme Court had consistently held that the certification against forum shopping must be signed by the principal parties.[22] If, for any reason, the principal party cannot sign the petition, the one signing on his behalf must have been duly authorized.[23] With respect to a corporation, the certification against forum shopping may be signed for and on its behalf, by a specifically authorized lawyer who has personal knowledge of the facts required to be disclosed in such document.[24] A corporation has no power, except those expressly conferred on it by the Corporation Code and those that are implied or incidental to its existence. In turn, a corporation exercises said powers through its board of directors and/or its duly authorized officers and agents. Thus, it has been observed that the power of a corporation to sue and be sued in any court is lodged with the board of directors that exercises its corporate powers. In turn, physical acts of the corporation, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by a specific act of the board of directors.[25]

In *Philippine Airlines, Inc. v. Flight Attendants and Stewards Association of the Philippines (FASAP)*, [26] the Supreme Court ruled that only individuals vested with authority by a valid board resolution may sign the certificate of non-forum shopping on behalf of a corporation. It also required proof of such authority to be

presented. The petition is subject to dismissal if a certification was submitted unaccompanied by proof of the signatory's authority.

In the present case, there is proof[27] that respondent, a private corporation, authorized Ivy N. Boter, through a board resolution,[28] to sign the verification and certification against forum shopping on its behalf. Accordingly, the verification and certification against forum shopping appended to the complaint are not defective, and would not warrant the dismissal of private respondent's complaint for Recovery of Sum of Money (Civil Case No. 08-095) against petitioners.

Verily, there is evidence to show that the trial court validly assumed jurisdiction over the present case and properly reconsidered its 27 July 2009 Order. Therefore, the trial court did not commit grave abuse of discretion correctible by Rule 65. Resultantly, proceedings relative to Civil Case No. Q-08-095 and all issuances made in connection with such case have force and effect.

From the foregoing premises, the trial court did not err in ruling as it did and may not be subjected to this court's certiorari jurisdiction.

WHEREFORE, premises considered, the appealed Orders dated 31 January 2011 and 07 February 2012 issued by public respondent Regional Trial Court (RTC), Branch 205, Muntinlupa City are **AFFIRMED** in toto. Costs against petitioners.

SO ORDERED.

Reyes, Jr., (Chairperson), and Lopez, JJ., concur.

[1] Rule 65 under the 1997 Rules of Civil Procedure.

[2] Rollo. p. 38.

[3] Rollo, p. 43-49.

[4] Rollo, pp. 50-66.

[5] Rollo, pp. 136-143.

[6] Dated 22 July 2008; rollo, pp. 67-70.

[7] Rollo, p. 143.

[8] Rollo, pp. 144-146.

[9] Supra, note 3.

[10] Rollo, p. 49.

[11] Supra, note 4.

[12] Rollo, p. 66.

[13] Rollo, pp. 3-42.

[14] Rollo, pp. 12-139.

[15] RULES OF COURT, Rule 65, Section 1.

- [16] TESDA v. COA, G.R. No. 204869, 11 March 2014.
- [17] Heirs of Generoso Sebe v. Heirs of Veronico Sevilla, G.R. No. 174497, October 12, 2009, 603 SCRA 395, 400.
- [18] Figueroa v. People, 580 Phil. 58, 78 (2008), citing Heirs of Julian dela Cruz and Leonora Talaro v. Heirs of Alberto Cruz, 475 SCRA 743, 756.
- [19] J. Salonga, Private International Law, 1981, pp. 37-38.
- [20] J. Salonga, Private International Law, 1981, p. 46.
- [21] Hongkong and Shanghai Banking Corp. v. Sherman, G.R. No. 72494, 11 August. 1989.
- [22] Cosco Philippines Shipping, Inc. v. Kemper Insurance Company, G.R. No. 179488, April 23, 2012, 670 SCRA 343, 355, citing Athena Computers, Inc. v. Reyes, G.R. No. 156905, September 5, 2007, 532 SCRA 343, 351; Development Bank of the Philippines v. Court of Appeals, G.R. No. 147217, October 7, 2004, 440 SCRA 200, 205.
- [23] Eagle Ridge Golf & Country Club v. Court of Appeals, G.R. No. 178989, March 18, 2010, 616 SCRA 116, 132.
- [24] Athena Computers, Inc. v. Reyes, G.R. No. 156905, September 5, 2007, 532 SCRA 343, 351.
- [25] Republic v. Coalbrine International Philippines, Inc., G.R. No. 161838, April 7, 2010, 617 SCRA 491, 498.
- [26] G.R. No. 143088, January 24, 2006, 479 SCRA 605, 608.
- [27] Rollo, p. 98.
- [28] Ibid.

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