

EDUARDO M. COJUANGCO, JR., ENRIQUE M. COJUANGCO, MANUEL M. COJUANGCO, ESTELITO P. MENDOZA AND GABRIEL L. VILLAREAL, PETITIONERS, VS. THE HON. SANDIGANBAYAN, PRESIDENTIAL COMMISS...

G.R. No. 120640. August 08, 1996

Ponente: VITUG, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-120640/>

VITUG, J.:

When this Court was tasked to determine, via *Garcia, Jr., vs. Sandiganbayan*,^[1] whether the Sandiganbayan had jurisdiction to take up the special civil actions of prohibition, mandamus, and quo warranto, it ruled:

"It is settled that the authority to issue writs of certiorari, prohibition, and mandamus involves the exercise of original jurisdiction which must be expressly conferred by the Constitution or by law. x x x.

"With respect to petitions for quo warranto and habeas corpus, original jurisdiction over them is expressly conferred to this Court by Section 5(1), Article VIII of the Constitution and to the Court of Appeals and the Regional Trial Courts by Section 9(1) and Section 21(1), respectively, of B.P. Blg. 129.

"In the absence then of a specific statutory grant of jurisdiction to issue the said extraordinary writs, the Sandiganbayan, as a court with only special and limited jurisdiction, cannot exercise jurisdiction over the petition for prohibition, mandamus and quo warranto filed by petitioner."^[2]

By force of that decision, respondent Sandiganbayan (First Division), on 09 May 1995, acting *motu proprio* on the petition for quo warranto instituted by herein petitioners assailing the qualifications of private respondents for election to, and membership in, the Board of Directors of San Miguel Corporation ("SMC"), issued a resolution dismissing the quo warranto petition. The Sandiganbayan held:

"Considering the subject matter of the instant petition, i.e., the qualification of the respondents to the seats in the Board of Directors of the San Miguel Corporation in favor of the petitioners herein for which reason this petition for quo warranto is filed, and considering the ruling of the Supreme Court in *Garcia vs. Sandiganbayan* (G.R. No. 114135, October 7, 1994) which explicitly stated that for lack of explicit statutory grant, the Sandiganbayan had no authority to issue a writ of quo warranto, among other extraordinary writs, thus rendering this Court without jurisdiction over the subject matter hereof, the instant petition is dismissed."^[3]

This resolution is sought to be set aside in the instant petition for review on certiorari.

We cull presently the facts that have led to the filing of the petition for quo warranto.

During the annual meeting of the stockholders of SMC, held on 18 April 1995, the election of fifteen directors for the ensuing year was taken up. Petitioners, along with private respondents, were among the nominees to the board. Private respondents were nominated by Chairman Magtanggol Gunigundo of the Presidential Commission on Good Government ("PCGG") following the registration in their respective names (at the instance of PCGG) of SMC sequestered shares of stock (the "corporate shares"), belonging to some 43 corporate stockholders led by

Archipelago Finance and Leasing Corporation, in order to allow the nominees to qualify for the contested board seats.

During the election, the bulk of the votes cast by petitioner Mendoza in favor of his group had come from substantially the same sequestered corporate shares of SMC which were used by the PCGG in voting, in turn, for private respondents.

Following the canvass of the votes cast, private respondents landed on the top 15 slots and were accordingly declared to have been the elected members of the SMC Board of Directors for the year 1995-1996. None of the petitioners (Messrs. Estelito Mendoza, Manuel Cojuangco, Enrique Cojuangco, Gabriel Villareal and Eduardo Cojuangco, Jr., who, respectively, landed on the 16th to the 20th places) made it.

Petitioner Mendoza protested the results of the election contending that the votes he had cast, particularly those in representation of the corporate shares, had not been duly appreciated and reflected in the results, and that had said votes been properly counted he, Manuel Cojuangco and Enrique Cojuangco would have themselves been duly elected. In reply, SMC Corporate Secretary Jose Feria stood by his verbal ruling during the canvassing of votes that only the PCGG, through Chairman Gunigundo, could validly vote the sequestered shares.

Petitioners filed a petition for quo warranto before the Sandiganbayan questioning the election of PCGG's nominees to the SMC Board and prayed that -

"1. Respondents Julieta C. Bertuben, Ide C. Tillah, Emmanuel E. Cruz, Sergio Osmeña III and Tirso D. Antiporda, Jr. should be ousted from the SMC Board for not owning the requisite number of qualifying shares of stock and in their stead, petitioners Eduardo M. Cojuangco, Jr., Enrique M. Cojuangco, Manuel M. Cojuangco, Estelito P. Mendoza and Gabriel L. Villareal be declared members of the Board of Directors of SMC; and

"2. Respondents Julieta C. Bertuben, Ide C. Tillah and Emmanuel E. Cruz be ousted for not having more votes than petitioners Enrique M. Cojuangco, Manuel M. Cojuangco, Estelito P. Mendoza who should in their place be declared duly elected members of the Board of Directors of SMC." [4]

The dismissal by the Sandiganbayan (First Division) of the petition, as well as its subsequent rejection of the motion for reconsideration, has led to the present recourse. Petitioners impute on the Sandiganbayan the alleged commission by it of the following errors:

"A. THE SANDIGANBAYAN (FIRST DIVISION) ERRED IN APPLYING TO S.B. CIVIL CASE NO. 0166 THE NEW DOCTRINE ENUNCIATED BY THE FIRST DIVISION OF THIS HONORABLE COURT IN THE CASE OF 'GARCIA, JR. VS. SANDIGANBAYAN, ET AL.', G.R. NO. 11435, PROMULGATED ON OCTOBER 7, 1994, 237 SCRA 552, HOLDING THAT THE SANDIGANBAYAN CANNOT EXERCISE JURISDICTION OVER A PETITION FOR PROHIBITION, MANDAMUS AND QUO WARRANTO, DESPITE THE CLEAR NON-APPLICABILITY OF SAID DOCTRINE TO THE FACTS OF CIVIL CASE NO. 0166.

"xxx xxx xxx

"B. IN DISMISSING THE PETITION FOR QUO WARRANTO, THE SANDIGANBAYAN (FIRST DIVISION) IGNORED APPLICABLE DECISIONS OF THIS HONORABLE COURT RENDERED IN SEVERAL CASES HOLDING THAT THE SANDIGANBAYAN HAS EXCLUSIVE AND ORIGINAL JURISDICTION OVER SPECIAL CIVIL ACTIONS, INCLUDING PETITIONS FOR QUO WARRANTO, INVOLVING 'INCIDENTS ARISING FROM, INCIDENTAL TO, OR RELATED TO' CASES MENTIONED IN EXECUTIVE ORDER NO. 14, DATED MAY 7, 1986, AND OVER SPECIAL CIVIL ACTIONS INVOLVING THE POWERS AND FUNCTIONS OF THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT (PCGG) OR ALLEGED ILL-GOTTEN OR SEQUESTERED WEALTH.

"xxx xxx xxx

"C. THE SANDIGANBAYAN (FIRST DIVISION) LIKewise IGNORED THE PROVISION OF SEC. 2 OF REPUBLIC ACT NO. 7975, WHICH AMENDED SEC. 4 OF PRESIDENTIAL DECREE NO. 1606 ON THE JURISDICTION OF THE SANDIGANBAYAN, GRANTING THE SANDIGANBAYAN 'ORIGINAL JURISDICTION' OVER 'CIVIL AND CRIMINAL CASES FILED PURSUANT TO AND IN CONNECTION WITH EXECUTIVE ORDER NOS. 1, 2, 14 AND 14-A.'"[5]

Respondents, calling attention to the Court's ruling in *Garcia*, *infra*, insist that the Sandiganbayan is precluded from exercising jurisdiction over petitions for quo warranto.

We find merit in the appeal.

The rule that the Sandiganbayan cannot exercise jurisdiction over petitions for quo warranto is not without exception, a situation which by now should be fairly evident from the Court's pronouncements in a number of cases. In *PCGG vs. Peña, et al.*,[6] the Court has observed:

"x x x Under Section 2 of the President's Executive Order No. 14 issued on May 7, 1986, all cases of the Commission regarding 'the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Ferdinand Marcos, Mrs. Imelda Romualdez Marcos, their Close Relatives, Subordinates, Business Associates, Dummies, Agents, or Nominees' whether civil or criminal, are lodged within the 'exclusive and original jurisdiction of the Sandiganbayan' and all incidents arising from, incidental to, or related to, such cases necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction, subject to review on certiorari exclusively by the Supreme Court." (Italics supplied.)

In the two subsequent consolidated cases of *PCGG vs. Aquino, Jr.*, and *Marcelo Fiberglass Corporation vs. PCGG*,[7] a petition for certiorari and prohibition with prayer for the issuance of a restraining order and injunction was lodged with the Regional trial Court of Malabon, instead of the Sandiganbayan, against a writ of sequestration issued by the PCGG. Marcelo Fiberglass Corporation argued that Section 2 of Executive Order No. 14 gave to the Sandiganbayan jurisdiction over civil and criminal cases filed by the PCGG but not over special civil actions filed by private parties. In brushing aside the contention, the Court, reiterated the aforementioned portion of the Court's ruling in *Peña*, and concluded that any attempt to remove special civil actions,[8] similarly involving the powers and functions of the PCGG, from the Sandiganbayan's exclusive jurisdiction would be of no avail.

Just barely two months thereafter, six cases[9] emanating from the Regional trial Courts, as well as from the Securities and Exchange Commission, were subsequently filed with the Court. In one[10] of these cases, a supplemental petition was filed with the SEC by one of the stockholders of the SMC assailing the 1986 annual election of directors on the ground that PCGG voted the sequestered shares[11] without authority. The SMC Board of Directors moved to dismiss the petition contending that SEC had no jurisdiction over the action. The motion was denied by the SEC declaring, *inter alia*, "that what was being questioned were merely 'the acts of the Board of Directors of San Miguel Corporation and not the acts of the PCGG through its nominees,' a matter clearly within its statutorily prescribed competence." [12] When this order of the SEC and those of the Regional Trial Courts in the other related cases were eventually elevated to this Court, we stressed that the "exclusive jurisdiction conferred on the Sandiganbayan would evidently extend not only to the principal causes of action, i.e., the recovery of alleged ill-gotten wealth, but also to 'all incidents arising from, incidental to, or related to, such cases,' such as the dispute over the sale of shares, the propriety of the issuance of ancillary writs or provisional remedies relative thereto, the sequestration thereof, which may not be made the subject of separate actions or proceedings in another forum." Thus, the Court ordered the dismissal of the cases "without prejudice to the assertion and ventilation before the Sandiganbayan by the parties of their respective claims by such appropriate

modes as prescribed by law." [13]

The instant petition, contrary to the observation in the dissenting opinion, is not just confined to the grievance of petitioners relative to the election of directors and the counting of the votes therein cast but directly challenges the power of the PCGG to vote, or to make use of, the sequestered shares of stock. The very kernel then of the controversy, relating, such as it does, to PCGG's authority over alleged ill-gotten wealth (the sequestered corporate shares), is within the precinct of Section 2 [14] of Executive Order No. 14. The Peña edict - that "those who wish to question or challenge the Commission's acts or orders in such cases must seek recourse in the same court, the Sandiganbayan, which is vested with exclusive and original jurisdiction" [15] - perforce governs.

Garcia, it might be recalled, did not involve any question about the alleged "ill-gotten wealth" or its sequestered status; there, indeed, any reference to "ill-gotten wealth" was but a peripheral matter. The controversy was instead, and as so aptly described by the Sandiganbayan itself, a mere "case of a Board of Directors ousting two of its members for reasons which it had deemed proper." [16] The graft court observed:

"While it is not denied that the PCGG through its Chairman had asked petitioner Garcia to resign, Garcia had refused to do so; while PCGG Chairman Gunigundo had written petitioner Garcia on July 6, 1993 to tell him that his representation of the Government in the UCPB Board had been terminated, petitioner did not there and then cease to be a member of the UCPB Board of Directors. Instead, it was the Resolution (No. 66-93) of the Board of Directors at its meeting on July 22, 1993 which replaced petitioner Garcia with respondent Cesar A. Sevilla in the Board, albeit undoubtedly upon the request or, if petitioner pleases, upon instigation of the PCGG Chairman.

"Respondent members of the Board of Directors Tirso D. Antiporda, et al., have well pointed out that while PCGG Chairman Gunigundo had also terminated the representation of Director Manuel Concordia, as Gunigundo indeed had in his letter of July 6, 1993, x x x the UCPB Board declined to follow that lead resulting thus in the termination only of petitioner Garcia and Wencilito T. Andanar." [17]

In fine, while ordinarily the Sandiganbayan cannot exercise jurisdiction over petitions for quo warranto, it may, however, do so as an exception when it involves an incident arising from, or related to PCGG cases over alleged "ill-gotten wealth" within the context of Section 2 of Executive Order No. 14.

Mention has been made on the passage of R.A. No. 7975, [18] on 06 May 1995, which grants to the Sandiganbayan the power to issue writs of certiorari, prohibition, and mandamus in aid of its appellate jurisdiction. While a petition for quo warranto is not among the special civil actions enumerated in the fourth sub-paragraph of Section 4(c) of R.A. No. 7975, the first sub-paragraph of the same Section 4(c) of the law, however, is no less specific, it provides:

"SEC. 4. Jurisdiction. - The Sandiganbayan shall exercise original jurisdiction in all cases involving:

"xxx xxx xxx

"c. Civil and criminal cases filed pursuant to and in connection with Executive Order Nos. 1, 2, 14, and 14-A."

The reiteration of the Sandiganbayan's jurisdiction over the above cases emphasizes a continuing legislative regard for the special graft court's original jurisdiction over cases that are inextricably linked to the various aforementioned Executive Orders.

WHEREFORE, the petition is GRANTED. The assailed 09 May 1995 Resolution of the respondent Sandiganbayan is SET ASIDE, and the Sandiganbayan is directed to give due course to the petition for quo warranto. No costs.

SO ORDERED.

Bellosillo, Melo, Puno, Kapunan, Mendoza, Francisco, Panganiban, and Torres, Jr., JJ., concur.
Regalado, and Davide, Jr., JJ., see dissenting opinions.
Narvasa, C.J., joins Justice Regalado and Davide, Jr. in their dissents.
Padilla, Romero, and Hermosisima, Jr., JJ., took no part.

[1] 237 SCRA 552.

[2] At pp. 563-564.

[3] Rollo, p. 67.

[4] Rollo, p. 64.

[5] Rollo, pp. 20-33.

[6] 159 SCRA 556, 561-562.**[7] 163 SCRA 363.**

[8] Republic Act No. 7975, amending Presidential Decree 1606, has expanded the jurisdiction of the Sandiganbayan to include civil and criminal cases filed in connection with Executive Order No. 1, dated 28 February 1986, entitled "Creating the Presidential Commission on Good Government," E.O. No. 2, dated 12 March 1986, entitled "regarding the Funds, Moneys, Assets and Properties Illegally Acquired or Misappropriated by Former President Ferdinand Marcos, Mrs. Imelda Romualdez-Marcos, their Close Relatives, Subordinates, Business Associates, Dummies, Agents or Nominees," E.O. No. 14 and E.O. No. 14-A.

[9] Soriano III, et al. vs. Hon. Yuzon, et al., G.R. No. 74910; Cojuangco, Jr., et al. vs. SEC, et al., G.R. No. 75075; Ganay vs. PCGG, G.R. No. 75094; Board of Directors of San Miguel Corporation, et al. vs. SEC, et al., G.R. No. 76397; Cojuangco, Jr. et al. vs. Hon. Laggui, etc., et al., G.R. No. 79459; Neptunia Corporation, Ltd., et al. vs. PCGG, et al., G.R. No. 79520, 10 August 1988, 164 SCRA 226, 242. The same rule, still later, was applied in *Africa vs. PCGG*, 205 SCRA 38.

[10] G.R. No. 76397, "Board of Directors of San Miguel Corporation and Andres Soriano III vs. Securities and Exchange Commission, et al."

[11] Petitioners alleged that the said shares of stock are among those involved in S.B. Civil Case No. 0166 and among those voted by PCGG at the SMC stockholders' meeting held on 19 April 1994. (Rollo, p. 29)

[12] Soriano III vs. Yuzon, supra, p. 235.

[13] Soriano III, et al. vs. Hon. Yuzon, et al., supra. The same rule, still later, was applied in *Africa vs. PCGG*, 205 SCRA 38.

[14] Sec. 2. The Presidential Commission on Good Government shall file all such cases, whether civil or criminal, with the Sandiganbayan, which shall have exclusive and original jurisdiction thereof.

[15] PCGG vs. Peña, et al., supra, at p. 564.

[16] Garcia, Jr. vs. Sandiganbayan, supra.

[17] Ibid.

[18] Entitled "An Act To Strengthen The Functional And Structural Organization Of The Sandiganbayan, Amending For That Purpose Presidential Decree No. 1606, As Amended."

DISSENTING OPINION

DAVIDE, JR., J.:

I am compelled to take a view contrary to that of my esteemed colleague, Mr. Justice Jose C. Vitug.

From the following antecedent facts summarized in the ponencia, to wit:

During the annual meeting of the stockholders of SMC, held on 18 April 1995, the election of fifteen directors for the ensuing year was taken up. Petitioners, along with private respondents, were among the nominees to the board. Private respondents were nominated by Chairman Magtanggol Gunigundo of the Presidential Commission on Good Government ("PCGG") following the registration in their respective names (at the instance of PCGG) of SMC sequestered shares of stock (the "corporate shares"), belonging to some 43 corporate stockholders led by Archipelago Finance and Leasing Corporation, in order to allow the nominees to qualify for the contested board seats.

During the election, the bulk of the votes cast by petitioner Mendoza in favor of his group had come substantially the same sequestered corporate shares of SMC which were used by the PCGG in voting, in turn, for private respondents.

Following the canvass of the votes cast, private respondents landed on the top 15 slots and were accordingly declared to have been the elected members of the SMC Board of Directors for the year 1995-1996. None of the petitioners (Messrs. Estelito Mendoza, Manuel Cojuangco, Enrique Cojuangco, Gabriel Villareal and Eduardo Cojuangco, Jr., who, respectively, landed 16th to the 20th places) made it.

Petitioner Mendoza protested the results of the election contending that the votes he had cast, particularly those in representation of the corporate shares, had not been duly appreciated and reflected in the results, and that had said votes been properly counted he, Manuel Cojuangco and Enrique Cojuangco would have themselves been duly elected. In reply, SMC Corporate Secretary Jose Feria stood by his verbal ruling during the canvassing of votes that only PCGG, through Chairman Gunigundo, could validly vote the sequestered shares.

it is clear, at least to me, that the grievance of the petitioners has nothing to do with the propriety of the sequestration nor with the ill-gotten or crony-related character of Gunigundo's act. It strictly involves a controversy regarding the election of directors and the counting of their votes, which, pursuant to paragraph (c), Section 5[1] of P.D. No. 902-A, falls the original and exclusive jurisdiction of the Securities and Exchange Commission (SEC) . Whatever its connection with or relation to the sequestered shares is purely peripheral. Pursuant to *Garcia vs. Sandiganbayan*,[2] the controversy does not fall within the jurisdiction of the Sandiganbayan.

In yielding to the contention of the petitioners that the Sandiganbayan has jurisdiction over the controversy in the petition for quo warranto, the ponencia gives much stress to the observation in *PCGG vs. Peña*[3] that:

x x x Under Section 2 of the President's Executive Order No. 14 issued on May 7, 1986, all cases of the Commission regarding 'the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Ferdinand E. Marcos, Mrs. Imelda Romualdez Marcos, their Close Relatives, Subordinates, Business Associates, Dummies, Agents or Nominees' whether civil or criminal, are lodged within the 'exclusive and original jurisdiction of the Sandiganbayan' and all incidents arising from, incidental to, or related to, such cases necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction, subject to review on certiorari exclusively by the Supreme Court. (italics supplied)

and the following statement in *PCGG vs. Aquino and Marcelo Fiberglass Corp. vs. PCGG*: [4]

It will be noted that the Sandiganbayan was held[5] to have exclusive and original jurisdiction in civil and criminal cases lodged before it, as well as incidents arising from, incidental, or related to such cases, subject to review on certiorari exclusively by the Supreme Court. The attempt to remove special civil actions from the Sandiganbayan's exclusive jurisdiction is of no avail if they similarly involve the powers and functions of the Presidential Commission on Good Government.

as well as this Court's pronouncement in Soriano III vs. Yuson[6] and five other cases, to wit:

Now, that exclusive jurisdiction conferred on the Sandiganbayan would evidently extend not only to the principal causes of action, i.e., the recovery of alleged ill-gotten wealth, but also to "all incidents arising from, incidental to or related to, such cases," such as the dispute over the sale of shares, the propriety of the issuance of the ancillary writs or provisional remedies relative thereto, the sequestration thereof, which may not be made the subject of separate actions or proceedings in another forum. x x x

I very respectfully submit that it was never the intention of Peña, Aquino, and Soriano to lodge with the Sandiganbayan, as falling within its exclusive and original jurisdiction, every matter incidental or related to or arising from the sequestration of ill-gotten wealth. Section 2 of E.O. No. 14 which provides as follows:

SEC. 2. The Presidential Commission on Good Government shall file all such cases, whether civil or criminal, with the Sandiganbayan, which shall have exclusive and original jurisdiction thereof.

must be read together with Section 1 thereof to fully grasp what is meant by the term "cases." As so read, the term simply refers to "cases investigated by [the PCGG] under Executive Order No. 1, February 28, 1986, and Executive Order No. 2, dated March 12, 1986, as may be warranted by its findings," as expressly stated in said Section 1. Under Section 2 of E.O. No. 1, the PCGG is charged with the task of assisting the President with regard to the following matters:

- (a) The recovery of ill-gotten wealth accumulated by Former president Ferdinand E. Marcos, his immediate family, relatives, subordinates and close associates, whether located in the Philippines or abroad, including the takeover or sequestration of all business enterprises and entities owned or controlled by them, during his administration, directly or through nominees, by taking undue advantage of their public office and/or using their powers, authority, influence, connection or relationship.
- (b) The investigation of such cases of graft and corruption as the President may assign to the Commission from the time to time.
- (c) The adoption of safeguards to ensure that the above practices shall not be repeated in any manner under the new government, and the institution of adequate measures to prevent the occurrence of corruption.

and under Section 3 it is granted with the following powers:

- (a) To conduct investigation as may be necessary in order to accomplish and carry out the purposes of this order.
- (b) To sequester or place or cause to be placed under its control or possession any building or office wherein any ill-gotten wealth or properties may be found, and any records pertaining thereto, in order to prevent their destruction, concealment or disappearance which would frustrate or hamper the investigation or otherwise prevent the Commission from accomplishing its task.
- (c) The provisional take over in the public interest or to prevent its disposal or dissipation, business enterprises and properties taken over by the government of the Marcos Administration or by entities or persons close to former President Marcos, until the transactions leading to such acquisition by the latter can be disposed of by the appropriate authorities.

(d) To enjoin or restrain any actual or threatened commission of acts by any person or entity that may render moot and academic, or frustrate, or otherwise make ineffectual the efforts of the Commission to carry out its tasks under this order.

Under E.O. No. 2 (Regarding the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Ferdinand Marcos, Mrs. Imelda Romualdez Marcos, Their Close Relatives, Subordinates, Business Associates, Dummies, Agents, or Nominees), the PCGG is further charge with the duty of investigating any claims with respect to such assets and properties. The President, in the same Executive Order, ordered, *inter alia*, the freezing of all assets and properties in the Philippines in which former President Marcos, is wife, their close relatives, subordinates, business associates, dummies, agents, or nominees have any interest or participation.

It therefore follows that what are referred to in Peña as "all incidents arising from, incidental to, or related to, such cases" which shall "necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction," must be those matters which have a substantive nexus to the cases investigated by the PCGG pursuant to its powers under E.O. Nos. 1 and 2. This is precisely what Peña suggests when, in another portion of the ponencia therein, this Court said:

x x x Executive Order No. 14, which defines the jurisdiction over cases involving the ill-gotten wealth of former President Marcos, his wife, Imelda, members of their immediate family, close relatives, subordinates, close and/or business associates, dummies, agents and nominees, specifically provides in section 2 that "The Presidential Commission on Good Government shall file all such cases, whether civil or criminal with the Sandiganbayan which shall have exclusive and original jurisdiction thereof." Necessarily, those who wish to question or challenge the Commission's acts or orders in such cases must seek recourse in the same court, the Sandiganbayan, which is vested with exclusive and original jurisdiction. The Sandiganbayan's decisions and final orders are in turn subject to review on certiorari exclusively by this Court.[7]

This is also thrust of Soriano III when it enumerated examples of what matters may be considered as arising from, incidental to, or related to such cases, viz., 'disputes over the sale of the shares, the propriety of the issuance on ancillary writs or provisional remedies relative thereto, the sequestration thereof.'

Now, as to the larger issue of whether the Sandiganbayan has jurisdiction over the petition for quo warranto, the ponencia answers it in the affirmative in light of the statement in Aquino that:

x x x The attempt to remove special civil actions from the Sandiganbayan's exclusive jurisdiction is of no avail if they similarly involve the powers and functions of the Presidential Commission on Good Government. (italics supplied).

This should not be construed as establishing a doctrine that the Sandiganbayan has jurisdiction over all special civil actions covered by Rules 62 to 71, inclusive, of the Rules of Court. For one thing, it was a reply to the defense of private respondent Edward Marcelo in justification of his filing with the trial of an action for certiorari and prohibition to restrain and enjoin the PCGG from sequestering his assets, properties, records, and documents. In the second place, the ratio decidendi in Aquino is actually the following statement of the Court:

Suffice it to say that the matters involved in these cases [G.R. Nos. 77816 and 78753] are orders of the PCGG issued in the exercise of its powers and functions for they involve the sequestration of the assets of private respondent Marcelo Fiberglass Corporation and Edward T. Marcelo, its president. The propriety of said sequestration and any incident arising from, incidental to or related to such sequestration is within the exclusive jurisdiction of the Sandiganbayan.

I am not, of course, unmindful of our decision in *Africa vs. PCGG*[8] where reference is made to the above pronouncement on special civil actions in Aquino. It must, nevertheless, be pointed out that what may have been

referred to in Africa as special civil actions filed with the Sandiganbayan were actually complaints for injunction with damages with a prayer for a writ of preliminary injunction and/or temporary restraining order which, according to this Court, "are in the nature of special and original civil actions for injunction," with a footnote making express reference to Section 4, Rule 39 of the Rules of Court and Article 26 of the Civil Code which contemplate and authorize original actions for injunction brought specially to restrain or command the performance of an act. In short, the said actions are not the special civil actions under Rule 65. Generally speaking, injunction is a provisional remedy.

Does the Sandiganbayan have the jurisdiction to issue the extraordinary writs of certiorari, prohibition, and mandamus as well as over petitions for quo warranto?

It is settled that the authority to issue writs of certiorari, prohibition, and mandamus involve the exercise of jurisdiction which must be expressly conferred by the Constitution or by law. In *Garcia vs. De Jesus*,^[9] this Court held:

In the Philippine setting, the authority to issue Writs of Certiorari, Prohibition and Mandamus involves the exercise of original jurisdiction. Thus, such authority has always been expressly conferred, either by the Constitution or by law. As a matter of fact, the well-settled rule is that jurisdiction is conferred only by the Constitution or by law (*OROSA v. Court of Appeals*, G.R. Nos. 76828-32, 28 January 1991; *Pacalso v. Ramolete*, G.R. No. L-22488, 26 October 1967, 21 SCRA 519). It is never derived by implication. Indeed, '(w)hile the power to issue the writ of certiorari is in some instance conferred on all courts by constitutional or statutory provisions, ordinarily, the particular courts which have such power are expressly designated' (*J. Aquino's Concurring Opinion in Pimentel*, *supra*, citing 14 C.J.S. 202; *Italics ours*).

Thus, our Courts exercise the power to issue Writs of Certiorari, Prohibition and Mandamus by virtue of express constitutional grant or legislative enactments. To enumerate:

- (1) Section 5[1], Article VIII of the 1987 Constitution conferred upon this Court such jurisdiction;
- (2) Section 9[1] of Batas Pambansa Blg. 129, or the Judiciary Reorganization Act of 1980, to the Court of Appeals (then intermediate appellate Court);
- (3) Section 21[1] of the said Act, to Regional Trial Courts;
- (4) Section 5[1] of Republic Act No. 6734, on the Organic Act for the Autonomous Region in Muslim Mindanao, to the newly created Shari'ah Appellate Court; and
- (5) Article 143[e], Chapter I, Title I, Book IV of Presidential Decree No. 1083, or the Code of Muslim Personal Law, to Shari'ah District Court.

With respect to petitions for quo warranto and habeas corpus, original jurisdiction over them is expressly conferred to this Court, the Court of Appeals, and the Regional Trial Courts by Section 9 (1) and Section 21(1), respectively, of B.P. Blg. 129.^[10]

Before the effectivity of R.A. No. 7975^[11] on 6 May 1995, no law vested upon the Sandiganbayan jurisdiction to issue writs of certiorari, prohibition, and mandamus. The said law granted it such power but only "in aid of its appellate jurisdiction."^[12] It must be pointed out that this law was passed by the House of Representatives and the Senate on 16 February 1995 and 20 February 1995, respectively, or four months after this Court promulgated the decision in *Garcia*. It is to be presumed that Congress was aware of *Garcia* and its grant to the Sandiganbayan of jurisdiction over the aforementioned extraordinary writs in aid of its appellate jurisdiction merely confirms the Sandiganbayan's prior lack of such jurisdiction and reveals a legislative intent to grant it for the first time, but on a limited scale. Until now, there is no law granting the Sandiganbayan jurisdiction in quo warranto petitions.

I vote then to DISMISS the instant petition.

[1] It provides:

SEC. 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission ... it shall have original and exclusive jurisdiction to hear and decide cases involving:

xxx xxx xxx

c) Controversies in the election or appointments of directors, trustees, officers and managers of such corporations partnerships or associations.

[2] 237 SCRA 552 [1994].

[3] 159 SCRA 556 [1988].

[4] 163 SCRA 362 [1988].

[5] Referring to PCGG vs. Peña, supra.

[6] 164 SCRA 226 [1988].

[7] At 564-565.

[8] And companion cases, 205 SCRA 38 [1992].

[9] 206 SCRA 779, 786-787 [1992]. See also, Garcia vs. Sandiganbayan, supra.

[10] See Garcia vs. Sandiganbayan, supra.

[11] Entitled, "An Act Strengthening the Functional and Structural Organization of the Sandiganbayan, Amending for the Purpose Presidential Decree No. 1606, as Amended."

[12] Section 4.

DISSENTING OPINION

REGALADO, J.:

I join Mr. Justice Davide in his well-reasoned and compelling dissent which fortifies his ponencia in Garcia, Jr. vs. Sandiganbayan, et al.[1] would just want to add some further views and observations of my own.

It appears to be the postulation of the majority that the aforesaid case of Garcia, Jr. does not apply because it does not involve ill-gotten wealth cases nor the exercise of the PCGG's power of sequestration; whereas the case at bar involves a challenge to the power of the PCGG to vote or make use of the sequestered shares of stock, which is directly related to the PCGG's authority over alleged ill-gotten wealth. Hence, it is theorized that this case falls within the purview of Section 2, Executive Order No. 14 which vests in the Sandiganbayan original and exclusive jurisdiction thereover.

The majority concedes that, as a general rule, the Sandiganbayan has no jurisdiction over original actions for certiorari, prohibition, mandamus and quo warranto. However, it is insisted that an exception lies where such action involves an incident arising from, or is related to, PCGG cases over alleged ill-gotten wealth within the context of said Section 2 of Executive Order No. 14. This theory is anchored on the holding in PCGG vs. Peña, etc., et al.[2] that all cases falling under the aforestated Section 2 are "lodged within the exclusive and original jurisdiction of the Sandiganbayan and all incidents arising from, incidental to, or related to, such cases necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction."

This ruling, it is pointed out, was echoed with illustrative examples in Soriano III, et al. vs. Yuzon, etc., et al.[3] which held that the Sandiganbayan shall have exclusive jurisdiction over "all incidents arising from, incidental to, or related to, such cases," such as the dispute over the sale of shares, the propriety of the issuance of ancillary writs or provisional remedies relative thereto, the sequestration thereof, which may not be made the subject of separate action or proceedings in another forum." Finally, the majority cites PCGG vs. Aquino, etc., et al.[4] where there was a passing statement that "any attempt to remove special civil actions, similarly involving the powers and functions of the PCGG, from the Sandiganbayan's exclusive jurisdiction would be of no avail."

It will be noted, however, that Garcia, Jr. vs. Sandiganbayan, et al. is exactly on all fours with the case at bar. In that case, a petition for prohibition, mandamus, quo warranto and damages, with prayer for a writ of preliminary injunction and temporary restraining order, was filed with the Sandiganbayan, questioning the propriety of therein petitioner's removal or separation as a director of the UCPB. A motion to dismiss for lack of jurisdiction was filed with and granted by the Sandiganbayan.

When the controversy was elevated to this Court, petitioner Garcia, Jr. argued that the Sandiganbayan had jurisdiction over the petition for quo warranto on the ground that the act of the PCGG in removing him as a director of UCPB is a direct exercise of the PCGG's power of sequestration over the UCPB shares of stock. On the other hand, the Solicitor General countered that the removal of petitioner has no bearing whatsoever on the question of whether or not the sequestered shares of UCPB are ill-gotten, hence the Sandiganbayan had no jurisdiction over the case.

This Court declared that the Sandiganbayan has no jurisdiction over the original and special civil actions of prohibition, mandamus and quo warranto, because the authority to issue these extraordinary writs involves the exercise of original jurisdiction which must be expressly conferred by the Constitution or by law. The Court discussed therein the pertinent laws, such as Executive Order No. 14 and Presidential Decrees Nos. 1606, 1860 and 1861, and concluded that, in the absence of a specific statutory grant of jurisdiction to issue the said extraordinary writs, the Sandiganbayan, as a court with only special and limited jurisdiction, cannot exercise jurisdiction over the petition for prohibition, mandamus and quo warranto filed by petitioner. In fact, if I may add, the conferment of such original jurisdiction is required even for regular courts of general jurisdiction within the integrated judicial system.

It will be noted that in the foregoing case, the Court did not I qualify or distinguish whether or not the special civil actions were filed in connection with the sequestration powers of the PCGG. It did not rule on the issue of whether or not the question of removal of petitioner therein as a director can be considered as an exercise of the power of sequestration of the PCGG and is, therefore, covered by Section 2 of Executive Order No. 14. Since the factual milieu of the present case is substantially and almost exactly the same as the factual setting in Garcia, Jr., no compelling reason exists why the ruling therein should not apply to the case at bar.

The exception allegedly enunciated in Peña and Aquino that the Sandiganbayan shall have jurisdiction over ill-gotten cases and also "all incidents arising from, incidental to, or related to, such cases, such as the dispute over the sale of shares, the propriety of the issuance of ancillary writs or provisional remedies relative thereto, the sequestration thereof, which may not be made the subject of separate actions or proceedings in another forum," will not necessarily apply to or be determinative of the present controversy.

The writ of quo warranto is neither an ancillary writ nor a provisional remedy which can be issued by a court, having jurisdiction over a main case, in the exercise of its ancillary jurisdiction to resolve an incident in that case. The writ of quo warranto is an extraordinary and prerogative writ specifically sought as the principal relief in an action addressed against acts of authority unlawfully asserted, and necessarily requires the exercise of the original

jurisdiction of a court.

Since the grant of the prerogative writ of quo warranto presupposes the exercise of original jurisdiction as a sine qua non, an original petition therefor cannot be considered as an ancillary remedy against "incidents arising from, incidental to, or related to, such cases." As definitively held in *Garcia, et al. vs. De Jesus, et al.*,^[5] unlike the ancillary writs issued as provisional remedies, the power to issue a writ of quo warranto, just like the other extraordinary writs under Rule 65 of the Rules of Court, is never derived by implication. Such power must be expressly conferred.

It is true that the grant of jurisdiction to try actions carries with it all necessary and incidental powers to employ writs; processes and other means essential to make its jurisdiction effective. But, this is on the premise that there is such original jurisdiction expressly and priorly granted from which the necessary and incidental powers may be implied. With respect to the Sandiganbayan, it was never expressly granted original jurisdiction over petitions for certiorari, mandamus, prohibition and quo warranto.

The cases of *Peña*, (an action for damages, with writ of preliminary injunction, questioning the revocation of the authorization as signatory previously granted to a respondent therein), *Aquino*, (a petition for certiorari and prohibition filed by private respondent before the RTC assailing the sequestration order issued by PCGG), and *Soriano III*, (involving the question of whether the RTC and SEC can decide the issue of the validity of the sequestration of shares of stock), which are relied upon by the majority in the present case, were all decided in 1988, while the other cited case of *Africa vs. PCGG, et al.*^[6] was decided in 1992, all before the decision in *Garcia, Jr.* was handed down. The doctrine enunciated in *Garcia, Jr.* should, therefore, be considered as the controlling rule, as those in the aforementioned cases are not in point.

Obviously, because of their disquisition based on the aforesaid previous cases on which they rested their conclusion, the majority found it unnecessary to discuss Republic Act No. 7975. This recent amendment to the jurisdiction of the Sandiganbayan, especially on the specific issue involved in the case at bar, does not offer them any solace either. Republic Act No. 7975, which took effect on May 6, 1995 and vested the Sandiganbayan with exclusive original jurisdiction over petitions for the issuance of the writs of mandamus, prohibition, certiorari, habeas corpus, injunction and other ancillary writs and processes in aid of its appellate jurisdiction,^[7] is inapplicable to the present case. Jurisdiction is conferred by substantive law^[8] and, as such, that law vesting additional jurisdiction in the court may not be given retroactive effect.^[9]

It is noteworthy that such additional jurisdiction to issue the writs enumerated therein can be exercised by the Sandiganbayan only in aid of its appellate jurisdiction, the same limitation imposed on the Court of Appeals before it was given full certiorari jurisdiction by Section 9 of B. P. Blg. 129. Also, while said amendatory legislation conferred jurisdiction on the Sandiganbayan to issue the aforementioned extraordinary writs, it refrained from including therein the prerogative writ of quo warranto.

This reluctance to vest full authority in the Sandiganbayan in the matter of the issuance of extraordinary writs may be traceable to the fact that as a court of limited or special jurisdiction, its authority is confined to particular causes, or its jurisdiction can be exercised only under the limitations and circumstances prescribed by its governing statute.^[10] In the face of all the foregoing considerations, I cannot accordingly see how and why the majority would wish to sustain its competence to issue a prerogative writ withheld from it both by law and jurisprudence.

[1] G.R. No. 114135, October 7, 1994, 237 SCRA 552.

[2] G.R. No. 77663, April 12, 1988, 159 SCRA 556.

- [3] G.R. No. 74910, August 10, 1988, 164 SCRA 226.
- [4] G.R. No. 77816, June 30, 1988, 163 SCRA 363.
- [5] G.R. No. 88158, March 4, 1992, 206 SCRA 779.
- [6] G.R. No. 83831, January 9, 1992, 205 SCRA 38.
- [7] Sec. 2, R.A. No. 7975, amending Sec. 4 of P.D. No. 1606.
- [8] Malaloan, et al. vs. Court of Appeals, et al., G.R. No. 104879, May 6, 1994, 232 SCRA 249.
- [9] See Largado vs. Masagana, etc., et al., L-17624, June 30, 1962, 5 SCRA 522.
- [10] Midwest Piping and Supply Co. vs. Thomas Spacing Mach. Co., 109 Pa. Super. 571, 167 A. 636, 638.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.