UNIVERSAL BROADCASTING CORPORATION, PETITIONER, VS. THE HON. SANDIGANBAYAN (5TH DIVISION); REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE PRESIDENTIAL COMMISSION ON GOOD GOVERN...

G.R. NO. 160677. August 10, 2007

Ponente: GARCIA, J.

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GARCIA, J.:

Assailed and sought to be set aside in this petition for certiorari and prohibition under Rule 65 of the Rules of Court with prayer for the issuance of a temporary restraining order and/or writ of preliminary injunction are the following issuances of the Sandiganbayan in Civil Case No. 0035, to wit:

- Resolution[1] dated May 7, 2003 directing the petitioner to file anew its motion for intervention, attaching thereto its complaint-in-intervention; and

- Resolution[2] dated October 16, 2003 denying petitioner's motion for reconsideration.

Civil Case No. 0035 from whence the assailed resolutions sprung is an action for the recovery of alleged ill-gotten wealth filed with the Sandiganbayan by the Presidential Commission on Good Government (PCGG) against, among others, former Leyte Governor Benjamin "Kokoy" Romualdez.

The facts pertinent to this case are as follows:

On March 18, 1986, PCGG issued a writ of sequestration against the property known as Price Mansion, said to be owned by former Leyte Governor Benjamin Romualdez. Price Mansion consists of two lots covered by Transfer Certificates of Title Nos. 14733 and 14734 encompassing 1,654 square meters and 1,600 square meters, respectively, in Tacloban City whereon a building, known as Price Mansion, is erected. This property is among those involved in Civil Case No. 0035.

In a letter dated April 15, 1986, private respondent Tacloban City Ice Plant, Inc. (TCIP) claimed ownership of Price Mansion and sought the lifting of the sequestration order. After conducting hearings wherein TCIP presented evidence in support of its claim, the PCGG lifted the sequestration order.

In a motion dated June 14, 1989, TCIP moved in Civil Case No. 0035 for the exclusion of the subject sequestered property and/or the lifting of sequestration over the Price Mansion property. The motion was granted by the Sandiganbayan in its Resolution of June 28, 1989.

Pursuant to said Resolution, the PCGG turned over a big portion of the land including the building, but excluded a portion on which an antenna/tower and station of PRTV-12 had been erected.

On February 5, 1990, TCIP sold the Price Mansion property to its co-respondent, Allied Banking Corporation as trustee of the College Assurance Plan, Phils., Inc. (CAP). TCIP sought the removal of the antenna/tower of the

PRTV-12 from the premises by filing, in Civil Case No. 0035, a motion for compliance to compel PCGG to make a complete turnover of the property in question to it. On October 1, 1991, the Sandiganbayan issued a resolution granting TCIP's motion for compliance, and declared its earlier resolution of June 28, 1989 final and executory.

In a motion dated October 17, 1991, the PCGG moved for reconsideration of the October 1, 1991 resolution alleging that it had been furnished copies of documents showing that prior to its sequestration, the Price Mansion property had been sold by TCIP to petitioner Universal Broadcasting Corporation (UBC), a corporation listed as one of the assets of Benjamin Romualdez. The Sandiganbayan denied the PCGG's motion in a Resolution dated July 23, 1992.

Aggrieved, the PCGG went to this Court via a petition for certiorari in G.R. No. 106413, praying that the Sandiganbayan resolutions of October 1, 1991 and July 23, 1992 in Civil Case No. 0035 be set aside. In the same petition, the PCGG alternatively prayed for the issuance of a writ of mandamus to compel the Sandiganbayan to conduct a hearing and determine whether the Price Mansion property is ill-gotten.

Petitioner UBC filed a motion for leave of court to intervene in Civil Case No. 0035 on November 4, 1991, and, on November 18, 1991, it filed in the same case a Complaint-In-Intervention claiming ownership of the Price Mansion property.

In a resolution dated June 16, 1992, the Sandiganbayan denied petitioner UBC's motion for leave to intervene, ruling that the dispute could best be resolved in a separate action before a regular court.

Consequently, on January 27, 1994, petitioner UBC filed with the Regional Trial Court (RTC) of Tacloban City a complaint for annulment of titles and deeds of sale and/or for sum of money and damages against TCIP and CAP, represented by Allied Banking Corporation. The case was docketed as Civil Case No. 94-01-18 and raffled to Branch 6 thereof.

Meanwhile, in a decision dated July 5, 1996 in G.R. No. 106413, the Court granted the Republic's alternative prayer and ordered the Sandiganbayan to conduct a hearing and determine the claim of ownership of petitioner UBC and the right of respondent Republic to retain possession of the disputed property, as follows:

> WHEREFORE, petitioner's alternative prayer is GRANTED and the Sandiganbayan is ORDERED to conduct a hearing and determine the claim of ownership of the Universal Broadcasting Corporation and the right of the Republic of the Philippines, through the PCGG, to retain possession of the property in question. In the meantime, the resolutions dated October 1, 1991 and July 23, 1992 of the Sandiganbayan are SUSPENDED, subject to the decision of the Sandiganbayan on the aforesaid claim of UBC.

Private respondents TCIP, et al. filed a motion for reconsideration of this Court decision in G.R. No. 106413, but the motion was denied by the Court in its resolution of August 14, 1996. In denying the motion, the Court ruled that the proceedings in the Sandiganbayan may proceed independently of Civil Case No. 94-01-18 then pending at the RTC of Tacloban City, Branch 6.

Pursuant to the aforementioned resolution of the Court, respondent Sandiganbayan issued a Resolution dated October 8, 2001 directing TCIP and UBC to appear before it and present evidence in order to determine the legal ownership of the Price Mansion property.

TCIP and Allied Banking Corporation filed a motion for clarification requesting for guidelines for the implementation of the aforesaid October 8, 2001 resolution.

UBC filed its comment to the said motion praying that the proceedings before the Sandiganbayan in Civil Case No. 0035 be suspended pending final determination of the ownership of subject property by the RTC in Civil

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Case No. 94-01-18.

In the herein assailed Resolution dated May 7, 2003, the Sandiganbayan ordered petitioner UBC to file anew its motion for intervention, attaching thereto its complaint-in-intervention, and setting the motion for hearing. Its motion for reconsideration having been denied by the Sandiganbayan in its equally assailed Resolution of October 16, 2003, petitioner UBC is now before us via the present recourse raising the sole issue of whether the Sandiganbayan acted with grave abuse of discretion amounting to lack or excess of jurisdiction in ordering petitioner UBC to submit a motion for intervention attaching thereto its complaint-in-intervention and in requiring it to present its evidence ahead of the other parties.

We DISMISS.

Petitioner submits that the Sandiganbayan never acquired jurisdiction over it as it was not impleaded as a party-defendant in Civil Case No. 0035.

The submission has no merit.

The Price Mansion property is an asset alleged to be ill-gotten. Like UBC, it is listed as among the properties of Benjamin Romualdez. For sure, UBC is among the corporations listed as alleged repositories of shares of stock controlled by Romualdez.

In Republic v. Sandiganbayan,[3] the Court held that there is no need to implead firms which are merely the res of the actions in ill-gotten wealth cases and that judgment may simply be directed against the assets, thus:

> C. Impleading Unnecessary Re Firms which are the Res of the Actions
>
> And as to corporations organized with ill-gotten wealth, but are not themselves guilty of misappropriation, fraud or other illicit conduct - in other words, the companies themselves are the object or thing involved in the action, the res thereof - there is no need to implead them either. Indeed, their impleading is not proper on the strength alone of their having been formed with ill-gotten funds, absent any other particular wrongdoing on their part. The judgment may simply be directed against the shares of stock shown to have been issued in consideration of ill-gotten wealth. x x x
>
> x x x In this light, they are simply the res in the actions for the recovery of illegally acquired wealth, and there is, in principle, no cause of action against them and no ground to implead them as defendants in said actions. x x x (Italics adopted, bold supplied)

Further, petitioner UBC is estopped from questioning the jurisdiction of the respondent court after it had voluntarily filed pleadings and appeared in several hearings in Civil Case No. 0035. In fact, in the present recourse, petitioner admits that when the Sandiganbayan issued its October 8, 2001 resolution, it filed its comment and prayed that the hearing of Civil Case No. 0035 be suspended or held in abeyance pending final determination of Civil Case No. 94-01-18 then before Branch 6 of the Tacloban City RTC.[4]

This Court, in its resolution of August 14, 1996 in G.R. No. 106413, pronounced that the proceedings before the Sandiganbayan may proceed independently of Civil Case No. 94-01-18. Indeed, the Sandiganbayan's resolutions are in compliance with this Court's directive in its July 5, 1996 decision and August 14, 1996 resolution in G.R. No. 106413 ordering the Sandiganbayan to conduct a hearing and determine the claim of ownership of petitioner UBC over the property in question.

WHEREFORE, the instant petition is hereby DISMISSED.

Costs against the petitioner.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, Corona, and Azcuna, JJ., concur.

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[1]Penned by Associate Justice Minita V. Chico-Nazario (now a member of the Court), with Associate Justices Rodolfo G. Palattao and Ma. Cristina G. Cortez-Estrada concurring; rollo, pp. 29-36.

[2] Id. at 37-42.

[3]G.R. No. 96073, January 23, 1995, 240 SCRA 376.

[4] Petition; rollo, pp. 11-12.

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