MANUEL LUIS C. GONZALES AND FRANCIS MARTIN D. GONZALES, PETITIONERS, VS. GJH LAND, INC. (FORMERLY KNOWN AS S.J. LAND, INC.), CHANG HWAN JANG A.K.A. STEVE JANG, SANG RAK KIM, MAR...

G.R. No. 202664. November 20, 2015

Ponente: PERLAS-BERNABE, J.

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PERLAS-BERNABE, J.:

This is a direct recourse to the Court, via a petition for review on certiorari,[1] from the Orders dated April 17, 2012[2] and July 9, 2012[3] of the Regional Trial Court (RTC) of Muntinlupa City, Branch 276 (Branch 276) dismissing Civil Case No. 11-077 for lack of jurisdiction.

The Facts

On August 4, 2011, petitioners Manuel Luis C. Gonzales[4] and Francis Martin D. Gonzales (petitioners) filed a Complaint[5] for "Injunction with prayer for Issuance of Status Quo Order, Three (3) and Twenty (20)-Day Temporary Restraining Orders, and Writ of Preliminary Injunction with Damages" against respondents GJH Land, Inc. (formerly known as S.J. Land, Inc.), Chang Hwan Jang, Sang Rak Kim, Mariechu N. Yap, and Atty. Roberto P. Mallari II[6] (respondents) before the RTC of Muntinlupa City seeking to enjoin the sale of S.J. Land, Inc.'s shares which they purportedly bought from S.J. Global, Inc. on February 1, 2010. Essentially, petitioners alleged that the subscriptions for the said shares were already paid by them in full in the books of S.J. Land, Inc.,[7] but were nonetheless offered for sale on July 29, 2011 to the corporation's stockholders,[8] hence, their plea for injunction.

The case was docketed as Civil Case No. 11-077 and raffled to Branch 276, which is not a Special Commercial Court. On August 9, 2011, said branch issued a temporary restraining order,[9] and later, in an Order[10] dated August 24, 2011, granted the application for a writ of preliminary injunction.

After filing their respective answers[11] to the complaint, respondents filed a motion to dismiss[12] on the ground of lack of jurisdiction over the subject matter, pointing out that the case involves an intra-corporate dispute and should, thus, be heard by the designated Special Commercial Court of Muntinlupa City.[13]

The RTC Ruling

In an Order[14] dated April 17, 2012, Branch 276 granted the motion to dismiss filed by respondents. It found that the case involves an intra-corporate dispute that is within the original and exclusive jurisdiction of the RTCs designated as Special Commercial Courts. It pointed out that the RTC of Muntinlupa City, Branch 256 (Branch 256) was specifically designated by the Court as the Special Commercial Court, hence, Branch 276 had no jurisdiction over the case and cannot lawfully exercise jurisdiction on the matter, including the issuance of a Writ of Preliminary Injunction.[15] Accordingly, it dismissed the case.

Dissatisfied, petitioners filed a motion for reconsideration,[16] arguing that they filed the case with the Office of the Clerk of Court of the RTC of Muntinlupa City which assigned the same to Branch 276 by raffle.[17] As the raffle was beyond their control, they should not be made to suffer the consequences of the wrong assignment of the case, especially after paying the filing fees in the amount of P235,825.00 that would be for naught if the dismissal is upheld.[18] They further maintained that the RTC has jurisdiction over intra-corporate disputes under Republic Act No. (RA) 8799,[19] but since the Court selected specific branches to hear and decide such suits, the case must, at most, be transferred or raffled off to the proper branch.[20]

In an Order[21] dated July 9, 2012, Branch 276 denied the motion for reconsideration, holding that it has no authority or power to order the transfer of the case to the proper Special Commercial Court, citing Calleja v. Panday[22] (Calleja); hence, the present petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not Branch 276 of the RTC of Muntinlupa City erred in dismissing the case for lack of jurisdiction over the subject matter.

The Court's Ruling

The petition is meritorious.

At the outset, the Court finds Branch 276 to have correctly categorized Civil Case No. 11-077 as a commercial case, more particularly, an intra-corporate dispute,[23] considering that it relates to petitioners' averred rights over the shares of stock offered for sale to other stockholders, having paid the same in full. Applying the relationship test and the nature of the controversy test, the suit between the parties is clearly rooted in the existence of an intra-corporate relationship and pertains to the enforcement of their correlative rights and obligations under the Corporation Code and the internal and intra-corporate regulatory rules of the corporation,[24] hence, intra-corporate, which should be heard by the designated Special Commercial Court as provided under A.M. No. 03-03-03-SC[25] dated June 17, 2003 in relation to Item 5.2, Section 5 of RA 8799.

The present controversy lies, however, in the procedure to be followed when a commercial case - such as the instant intra-corporate dispute -has been properly filed in the official station of the designated Special Commercial Court but is, however, later wrongly assigned by raffle to a regular branch of that station.

As a basic premise, let it be emphasized that a court's acquisition of jurisdiction over a particular case's subject matter is different from incidents pertaining to the exercise of its jurisdiction. Jurisdiction over the subject matter of a case is conferred by law, whereas a court's exercise of jurisdiction, unless provided by the law itself, is governed by the Rules of Court or by the orders issued from time to time by the Court.[26] In Lozada v. Bracewell,[27] it was recently held that the matter of whether the RTC resolves an issue in the exercise of its general jurisdiction or of its limited jurisdiction as a special court is only a matter of procedure and has nothing to do with the question of jurisdiction.

Pertinent to this case is RA 8799 which took effect on August 8, 2000. By virtue of said law, jurisdiction over cases enumerated in Section 5[28] of Presidential Decree No. 902-A[29] was transferred from the Securities and Exchange Commission (SEC) to the RTCs, being courts of general jurisdiction. Item 5.2, Section 5 of RA 8799 provides:

> SEC. 5. Powers and Functionsof the Commission. - x x x
>
> x x x x
>
> 5.2 The Commission's jurisdiction over all cases enumerated under Section 5 of Presidential Decree No. 902-A

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> is hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court: Provided, that the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over the cases. The Commission shall retain jurisdiction over pending cases involving intra-corporate disputes submitted for final resolution which should be resolved within one (1) year from the enactment of this Code. The Commission shall retain jurisdiction over pending suspension of payments/rehabilitation cases filed as of 30 June 2000 until finally disposed. (Emphasis supplied)

The legal attribution of Regional Trial Courts as courts of general jurisdiction stems from Section 19 (6), Chapter II of Batas Pambansa Bilang (BP) 129,[30] known as "The Judiciary Reorganization Act of 1980":

> Section 19. Jurisdiction in civil cases.- Regional Trial Courts shall exercise exclusive original jurisdiction:
>
> x x x x
>
> (6) In all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising jurisdiction or any court, tribunal, person or body exercising judicial or quasi-judicial functions; x x x x

As enunciated in Durisol Philippines, Inc. v. CA:[31]

> The regional trial court, formerly the court of first instance, is a court of general jurisdiction. All cases, the jurisdiction over which is not specifically provided for by law to be within the jurisdiction of any other court, fall under the jurisdiction of the regional trial court.[32]

To clarify, the word "or" in Item 5.2, Section 5 of RA 8799 was intentionally used by the legislature to particularize the fact that the phrase "the Courts of general jurisdiction" is equivalent to the phrase "the appropriate Regional Trial Court." In other words, the jurisdiction of the SEC over the cases enumerated under Section 5 of PD 902-A was transferred to the courts of general jurisdiction, that is to say (or, otherwise known as), the proper Regional Trial Courts. This interpretation is supported by San Miguel Corp. v. Municipal Council,[33] wherein the Court held that:

> [T]he word "or" may be used as the equivalent of "that is to say" and gives that which precedes it the same significance as that which follows it. It is not always disjunctive and is sometimes interpretative or expository of the preceding word.[34]

Further, as may be gleaned from the following excerpt of the Congressional deliberations:

> Senator [Raul S.] Roco: x x x.
>
> x x x x
>
> x x x. The first major departure is as regards the Securities and Exchange Commission. The Securities and Exchange Commission has been authorized under this proposal to reorganize itself. As an administrative agency, we strengthened it and at the same time we take away the quasi-judicial functions. The quasi-judicial functions are now given back to the courts of general jurisdiction - the Regional Trial Court, except for two categories of cases.
>
> In the case of corporate disputes, only those that are now submitted for final determination of the SEC will remain with the SEC. So, all those cases, both memos of the plaintiff and the defendant, that have been submitted for resolution will continue. At the same time, cases involving rehabilitation, bankruptcy, suspension of payments and receiverships that were filed before June 30, 2000 will continue with the SEC. in other words, we are avoiding the possibility, upon approval of this bill, of people filing cases with the SEC, in manner of speaking, to select their court.[35]
>
> x x x x (Emphasis supplied)

Therefore, one must be disabused of the notion that the transfer of jurisdiction was made only in favor of particular RTC branches, and not the RTCs in general.

Consistent with the foregoing, history depicts that when the transfer of SEC cases to the RTCs was first implemented, they were transmitted to the Executive Judges of the RTCs for raffle between or among its different branches, unless a specific branch has been designated as a Special Commercial Court, in which instance, the cases were transmitted to said branch.[36] It was only on November 21, 2000 that the Court designated certain RTC branches to try and decide said SEC cases[37] without, however, providing for the transfer of the cases already distributed to or filed with the regular branches thereof. Thus, on January 23, 2001, the Court issued SC Administrative Circular No. 08-2001[38] directing the transfer of said cases to the designated courts (commercial SEC courts). Later, or on June 17, 2003, the Court issued A.M. No. 03-03-03-SC consolidating the commercial SEC courts and the intellectual property courts[39] in one RTC branch in a particular locality, i.e., the Special Commercial Court, to streamline the court structure and to promote expediency.[40] Accordingly, the RTC branch so designated was mandated to try and decide SEC cases, as well as those involving violations of intellectual property rights, which were, thereupon, required to be filed in the Office of the Clerk of Court in the official station of the designated Special Commercial Courts, to wit:

> 1. The Regional Courts previously designated as SEC Courts through the: (a) Resolutions of this Court dated 21 November 2000, 4 July 2001, 12 November 2002, and 9 July 2002 all issued in A.M. No. 00-11-03-SC; (b) Resolution dated 27 August 2001 in A.M. No. 01-5-298-RTC; and (c) Resolution dated 8 July 2002 in A.M. No. 01-12-656-RTC are hereby DESIGNATED and shall be CALLED as Special Commercial Courts to try and decide cases involving violations of Intellectual Property Rights which fall within their jurisdiction and those cases formerly cognizable by the Securities and Exchange Commission:
>
> x x x x
>
> 4. The Special Commercial Courts shall have jurisdiction over cases arising within their respective territorial jurisdiction with respect to the National Capital Judicial Region and within the respective provinces with respect to the First to Twelfth Judicial Regions. Thus, cases shall be filed in the Office of the Clerk of Court in the official station of the designated Special Commercial Court;[41]
>
> x x x x (Underscoring supplied)

It is important to mention that the Court's designation of Special Commercial Courts was made in line with its constitutional authority to supervise the administration of all courts as provided under Section 6, Article VIII of the 1987 Constitution:

> Section 6. The Supreme Court shall have administrative supervision over all courts and the personnel thereof.

The objective behind the designation of such specialized courts is to promote expediency and efficiency in the exercise of the RTCs' jurisdiction over the cases enumerated under Section 5 of PD 902-A. Such designation has nothing to do with the statutory conferment of jurisdiction to all RTCs under RA 8799 since in the first place, the Court cannot enlarge, diminish, or dictate when jurisdiction shall be removed, given that the power to define, prescribe, and apportion jurisdiction is, as a general rule, a matter of legislative prerogative.[42] Section 2, Article VIII of the 1987 Constitution provides:

> Section 2. The Congress shall have the power to define, prescribe, and apportion the jurisdiction of the various courts but may not deprive the Supreme Court of its jurisdiction over cases enumerated in Section 5 hereof.
>
> x x x x

Here, petitioners filed a commercial case, i.e., an intra-corporate dispute, with the Office of the Clerk of Court in

the RTC of Muntinlupa City, which is the official station of the designated Special Commercial Court, in accordance with A.M. No. 03-03-03-SC. It is, therefore, from the time of such filing that the RTC of Muntinlupa City acquired jurisdiction over the subject matter or the nature of the action.[43] Unfortunately, the commercial case was wrongly raffled to a regular branch, e.g., Branch 276, instead of being assigned[44] to the sole Special Commercial Court in the RTC of Muntinlupa City, which is Branch 256. This error may have been caused by a reliance on the complaint's caption, i.e., "Civil Case for Injunction with prayer for Status Quo Order, TRO and Damages,"[45] which, however, contradicts and more importantly, cannot prevail over its actual allegations that clearly make out an intra-corporate dispute:

> 16. To the surprise of MLCG and FMDG, however, in two identical letters both dated 13 May 2011, under the letterhead of GJH Land, Inc., Yap, now acting as its President, Jang and Kim demanded payment of supposed unpaid subscriptions of MLCG and FMDG amounting to P10,899,854.30 and P2,625,249.41, respectively.
> 16.1 Copies of the letters dated 13 May 2011 are attached hereto and made integral parts hereof as Annexes "J" and "K", repectively.

17. On 29 July 2011, MLCG and FMDG received an Offer Letter addressed to stockholders of GJH Land, Inc. from Yap informing all stockholders that GJH Land, Inc. is now offering for sale the unpaid shares of stock of MLCG and FMDG. The same letter states that the offers to purchase these shares will be opened on 10 August 2011 with payments to be arranged by deposit to the depository bank of GJH Land, Inc.

> 17.1 A copy of the undated Offer Letter is attached hereto and made and made an integral part hereof as Annex "L".

18. The letter of GJH Land, Inc. through Yap, is totally without legal and factual basis because as evidenced by the Deeds of Assignment signed and certified by Yap herself, all the S.J. Land, Inc. shares acquired by MLCG and FMDG have been fully paid in the books of S.J. Land, Inc.

19. With the impending sale of the alleged unpaid subscriptions on 10 August 2011, there is now a clear danger that MLCG and FMDG would be deprived of these shares without legal and factual basis.

20. Furthermore, if they are deprived of these shares through the scheduled sale, both MLCG and FMDG would suffer grave and irreparable damage incapable of pecuniary estimation.

21. For this reason, plaintiffs now come to the Honorable Court for injunctive relief so that after trial on the merits, a permanent injunction should be issued against the defendants preventing them from selling the shares of the plaintiffs, there being no basis for such sale.[46]

According to jurisprudence, "it is not the caption but the allegations in the complaint or other initiatory pleading which give meaning to the pleading and on the basis of which such pleading may be legally characterized."[47] However, so as to avert any future confusion, the Court requires henceforth, that all initiatory pleadings state the action's nature both in its caption and the body, which parameters are defined in the dispositive portion of this Decision.

Going back to the case at bar, the Court nonetheless deems that the erroneous raffling to a regular branch instead of to a Special Commercial Court is only a matter of procedure - that is, an incident related to the exercise of jurisdiction - and, thus, should not negate the jurisdiction which the RTC of Muntinlupa City had already acquired. In such a scenario, the proper course of action was not for the commercial case to be dismissed; instead, Branch 276 should have first referred the case to the Executive Judge for re-docketing as a commercial case; thereafter, the Executive Judge should then assign said case to the only designated Special Commercial Court in the station, i.e., Branch 256.

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Note that the procedure would be different where the RTC acquiring jurisdiction over the case has multiple special commercial court branches; in such a scenario, the Executive Judge, after re-docketing the same as a commercial case, should proceed to order its re-raffling among the said special branches.

Meanwhile, if the RTC acquiring jurisdiction has no branch designated as a Special Commercial Court, then it should refer the case to the nearest RTC with a designated Special Commercial Court branch within the judicial region.[48] Upon referral, the RTC to which the case was referred to should re-docket the case as a commercial case, and then: (a) if the said RTC has only one branch designated as a Special Commercial Court, assign the case to the sole special branch; or (b) if the said RTC has multiple branches designated as Special Commercial Courts, raffle off the case among those special branches.

In all the above-mentioned scenarios, any difference regarding the applicable docket fees should be duly accounted for. On the other hand, all docket fees already paid shall be duly credited, and any excess, refunded.

At this juncture, the Court finds it fitting to clarify that the RTC mistakenly relied on the Calleja case to support its ruling. In Calleja, an intra-corporate dispute[49] among officers of a private corporation with principal address at Goa, Camarines Sur, was filed with the RTC of San Jose, Camarines Sur, Branch 58 instead of the RTC of Naga City, which is the official station of the designated Special Commercial Court for Camarines Sur. Consequently, the Court set aside the RTC of San Jose, Camarines Sur's order to transfer the case to the RTC of Naga City and dismissed the complaint considering that it was filed before a court which, having no internal branch designated as a Special Commercial Court, had no jurisdiction over those kinds of actions, i.e., intra-corporate disputes. Calleja involved two different RTCs, i.e., the RTC of San Jose, Camarines Sur and the RTC of Naga City, whereas the instant case only involves one RTC, i.e., the RTC of Muntinlupa City, albeit involving two different branches of the same court, i.e., Branches 256 and 276. Hence, owing to the variance in the facts attending, it was then improper for the RTC to rely on the Calleja ruling.

Besides, the Court observes that the fine line that distinguishes subject matter jurisdiction and exercise of jurisdiction had been clearly blurred in Calleja. Harkening back to the statute that had conferred subject matter jurisdiction, two things are apparently clear: (a) that the SEC's subject matter jurisdiction over intra-corporate cases under Section 5 of Presidential Decree No. 902-A was transferred to the Courts of general jurisdiction, i.e., the appropriate Regional Trial Courts; and (b) the designated branches of the Regional Trial Court, as per the rules promulgated by the Supreme Court, shall exercise jurisdiction over such cases. Item 5.2, Section 5 of RA 8799 provides:

> SEC. 5. Powers and Functions of the Commission. - x x x
>
> x x x x
>
> 5.2 The Commission's jurisdiction over all cases enumerated under Section 5 of Presidential Decree No. 902-A is hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court: Provided, that the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over the cases, x x x.

In contrast, the appropriate jurisprudential reference to this case would be Tan v. Bausch & Lomb, Inc.,[50] which involves a criminal complaint for violation of intellectual property rights filed before the RTC of Cebu City but was raffled to a regular branch thereof (Branch 21), and not to a Special Commercial Court. As it turned out, the regular branch subsequently denied the private complainant's motion to transfer the case to the designated special court of the same RTC, on the ground of lack of jurisdiction. The CA reversed the regular branch and, consequently, ordered the transfer of the case to the designated special court at that time (Branch 9). The Court, affirming the CA, declared that the RTC had acquired jurisdiction over the subject matter. In view, however, of

the designation of another court as the Special Commercial Court in the interim (Branch 11 of the same Cebu City RTC), the Court accordingly ordered the transfer of the case and the transmittal of the records to said Special Commercial Court instead.[51] Similarly, the transfer of the present intra-corporate dispute from Branch 276 to Branch 256 of the same RTC of Muntinlupa City, subject to the parameters above-discussed is proper and will further the purposes stated in A.M. No. 03-03-03-SC of attaining a speedy and efficient administration of justice.

For further guidance, the Court finds it apt to point out that the same principles apply to the inverse situation of ordinary civil cases filed before the proper RTCs but wrongly raffled to its branches designated as Special Commercial Courts. In such a scenario, the ordinary civil case should then be referred to the Executive Judge for re-docketing as an ordinary civil case; thereafter, the Executive Judge should then order the raffling of the case to all branches of the same RTC, subject to limitations under existing internal rules, and the payment of the correct docket fees in case of any difference. Unlike the limited assignment/raffling of a commercial case only to branches designated as Special Commercial Courts in the scenarios stated above, the re-raffling of an ordinary civil case in this instance to all courts is permissible due to the fact that a particular branch which has been designated as a Special Commercial Court does not shed the RTC's general jurisdiction over ordinary civil cases under the imprimatur of statutory law, i.e., Batas Pambansa Bilang (BP) 129.[52] To restate, the designation of Special Commercial Courts was merely intended as a procedural tool to expedite the resolution of commercial cases in line with the court's exercise of jurisdiction. This designation was not made by statute but only by an internal Supreme Court rule under its authority to promulgate rules governing matters of procedure and its constitutional mandate to supervise the administration of all courts and the personnel thereof.[53] Certainly, an internal rule promulgated by the Court cannot go beyond the commanding statute. But as a more fundamental reason, the designation of Special Commercial Courts is, to stress, merely an incident related to the court's exercise of jurisdiction, which, as first discussed, is distinct from the concept of jurisdiction over the subject matter. The RTC's general jurisdiction over ordinary civil cases is therefore not abdicated by an internal rule streamlining court procedure.

In fine, Branch 276's dismissal of Civil Case No. 11-077 is set aside and the transfer of said case to Branch 256, the designated Special Commercial Court of the same RTC of Muntinlupa City, under the parameters above-explained, is hereby ordered.

WHEREFORE, the petition is GRANTED. The Orders dated April 17, 2012 and July 9, 2012 of the Regional Trial Court (RTC) of Muntinlupa City, Branch 276 in Civil Case No. 11-077 are hereby REVERSED and SET ASIDE. Civil Case No. 11-077 is REFERRED to the Executive Judge of the RTC of Muntinlupa City for re-docketing as a commercial case. Thereafter, the Executive Judge shall ASSIGN said case to Branch 256, the sole designated Special Commercial Court in the RTC of Muntinlupa City, which is ORDERED to resolve the case with reasonable dispatch. In this regard, the Clerk of Court of said RTC shall DETERMINE the appropriate amount of docket fees and, in so doing, ORDER the payment of any difference or, on the other hand, refund any excess.

Furthermore, the Court hereby RESOLVES that henceforth, the following guidelines shall be observed:

> 1. If a commercial case filed before the proper RTC is wrongly raffled to its regular branch, the proper courses of action are as follows:
> 1.1 If the RTC has only one branch designated as a Special Commercial Court, then the case shall be referred to the Executive Judge for re-docketing as a commercial case, and thereafter, assigned to the sole special branch;
>
> 1.2 If the RTC has multiple branches designated as Special Commercial Courts, then the case shall be referred to the Executive Judge for re-docketing as a commercial case, and thereafter, raffled off among those special

branches; and

1.3 If the RTC has no internal branch designated as a Special Commercial Court, then the case shall be referred to the nearest RTC with a designated Special Commercial Court branch within the judicial region. Upon referral, the RTC to which the case was referred to should re- docket the case as a commercial case, and then: (a) if the said RTC has only one branch designated as a Special Commercial Court, assign the case to the sole special branch; or (b) if the said RTC has multiple branches designated as Special Commercial Courts, raffle off the case among those special branches.

2. If an ordinary civil case filed before the proper RTC is wrongly raffled to its branch designated as a Special Commercial Court, then the case shall be referred to the Executive Judge for re-docketing as an ordinary civil case. Thereafter, it shall be raffled off to all courts of the same RTC (including its designated special branches which, by statute, are equally capable of exercising general jurisdiction same as regular branches), as provided for under existing rules.

3. All transfer/raffle of cases is subject to the payment of the appropriate docket fees in case of any difference. On the other hand, all docket fees already paid shall be duly credited, and any excess, refunded.

4. Finally, to avert any future confusion, the Court requires that all initiatory pleadings state the action's nature both in its caption and body. Otherwise, the initiatory pleading may, upon motion or by order of the court motu proprio, be dismissed without prejudice to its re-filing after due rectification. This last procedural rule is prospective in application.

5. All existing rules inconsistent with the foregoing are deemed superseded.

SO ORDERED.

Sereno, C.J. Carpio, Velasco, Jr., Peralta, Bersamin, Del Castillo, Villarama, Jr., Reyes, and Jardeleza, JJ., concur.
Leonardo-De Castro, J., I concur in the result. I subscribe to the ruling in the Calleja case that the misfiling of a commercial case with a court not duly designated Special Commercial Court is an error of jurisdiction. However the Supreme Court has constitutional and legal basis [RA 8799] to promulgated the guidelines here for future cases.
Leonen, J., see concurring opinion.
Perez, J., I submitted a dissenting opinion.
Brion, and Mendoza, JJ., on leave.

NOTICE OF JUDGMENT

Sirs/Mesdames:

Please take notice that on November 10, 2015 a Decision/Resolution, copy attached herewith, was rendered by the Supreme Court in the above-entitled case, the original of which was received by this Office on December 14, 2015 at 11:30 a.m.

Very truly yours,

(SGD)
FELIPA G. BORLONGAN-ANAMA
Clerk of Court

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[1] Rollo, pp. 10-28.

[2] Id. at 34-38. Penned by Presiding Judge Antonietta Pablo-Medina.

[3] Id. at 39-41.

[4] "Francis Martin C. Gonzales" in some parts of the records.

[5] Dated August 2, 2011. Rollo, pp. 42-53.

[6] "Atty. Roberto P. Mallari" in some parts of the records.

[7] Rollo, p. 44.

[8] Id. at 47.

[9] Id. at 90-91.

[10] Id. at 92-97.

[11] Id. at 14.

[12] Dated February 7, 2011. (Id. at 98-114.)

[13] Id. at 107-110.

[14] Id. at 34-38.

[15] Id. at 37.

[16] Dated May 8, 2012. Id. at 152-160.

[17] Id. at 152-154.

[18] Id. at 154-155.

[19] Otherwise known as "The Securities Regulation Code."

[20] Rollo, p. 155.

[21] Id. at 39-41.

[22] 518 Phil. 801 (2006).

[23] Rollo, p. 37.

[24] See Medical Plaza Makati Condominium Corporation v. Cullen, G.R. No. 181416, November 11, 2013, 709 SCRA 110, 120-121; citations omitted.

[25] Entitled "RE: CONSOLIDATION OF INTELLECTUAL PROPERTY COURTS WITH COMMERCIAL COURTS" (July 1, 2003). Prior to A.M. No. 03-03-03-SC, however, the Court had already issued several resolutions in A.M. No. 00-11-03-SC (Entitled "RESOLUTION DESIGNATING CERTAIN BRANCHES OF REGIONAL TRIAL COURTS TO TRY AND DECIDE CASES FORMERLY COGNIZABLE BY THE SECURITIES AND EXCHANGE COMMISSION" [November 21, 2000]), A.M. No. 01-5-298-RTC (August 27, 2001), and A.M. No. 01- 12-656-RTC (July 8, 2002) to implement the provisions of Item 5.2, Section 5 of RA 8799.

[26] See Herrera, Oscar M., Remedial Law, Vol. I, 2007 Ed., p. 73.

[27] G.R. No. 179155, April 2, 2014, 720 SCRA 371, 381.

[28] SEC. 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving.

- Devices or schemes employed by or any acts, of the board of directors, business associates, its officers or partners, amounting to fraud and misrepresentation which may be detrimental to the interest of the public and/or of the stockholder, partners, members of associations or organizations registered with the Commission.

- Controversies arising out of intra-corporate or partnership relations, between and among' stockholders, members, or associates; between any or all of them and the corporation, partnership or association of which they are stockholders, members or associates, respectively; and between such corporation, partnership or association and the state insofar as it concerns their individual franchise or right to exist as such entity;

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

[29] Entitled "REORGANIZATION OF THE SECURITIES AND EXCHANGE COMMISSION WITH ADDITIONAL POWERS AND PLACING THE SAID AGENCY UNDER THE ADMINISTRATIVE SUPERVISION OF THE OFFICE OF THE PRESIDENT" (March 11, 1976).

[30] Entitled "AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES" (approved on August 14, 1981).

[31] 427 Phil. 604 (2002).

[32] Id. at 612.

[33] 152 Phil. 30(1973).

[34] Id. at 38.

[35] See Transcript of Session Proceedings in Securities Act of 1998, SB. NO. 1220/CR. No 6 RA 8799 dated July 17, 2000, p. 222.

[36] See Resolution dated August 22, 2000 in A.M. No. 00-8-10-SC, entitled "In RB: Transfer OF CASES from the Securities and exchange Commission to the Regular Courts Pursuant to R. A. No. 8799."

[37] See Resolution dated November 21, 2000 in A.M. No. 00-11-03-SC, entitled "RESOLUTION DESIGNATING CERTAIN BRANCHES OF REGIONAL TRIAL COURTS TO TRY AND DECIDE CASES FORMERLY COGNIZABLE BYTHF SECURITIES AND EXCHANGE COMMISSION."

[38] Entitled "Transfer to Designated Regional Trial Courts of SEC Cases Enumerated in Section 5, P. D. No. 902-A from the Regular Regional Trial Courts" (March 1,2001). Designated to try violations of intellectual property rights under RA 8293, otherwise known as the "Intellectual Property Code of the Philippines" and under SC A.O. No. 113-95 (Entitled "RE: Designation of Special Courts for Intellectual Property Rights" [October 2, 1995]), as amended by SC A.O. No. 104-96 (Entitled "Re: Designation of Special Courts for Kidnapping, Robbery, Carnapping, Dangerous Drugs Cases and Other Heinous Crimes; Intellectual Property Rights Violations and Jurisdiction in Libel Cases" [October 21, 1996]) and A.M. No. 02-1-11-SC (Entitled "Re: Designation of an Intellectual Property Judge for Manila" [February 19,2002]).

[40] Tan v. Bausch & Lomb, Inc., 514 Phil. 307, 316 (2005). See also final whereas clause of A.M. No. 03-03-03-SC.

[41] See OCA Circular No. 82-2003, entitled "SUBJECT: CONSOLIDATION OF INTELLECTUAL PROPERTY Courts with Commercial Courts" (June 30, 2003).

[42] See Tinitigan v. Tinitigan, Sr.,188 Phil. 597, 611 (1980).

[43] See Herrera, Oscar M., Remedial Law, Vol. I, 2007 Ed., p. 112-113. See also Tinitigan v. Tinitigan, Sr., id.

[44] Item 6 of A.M. No. 03-03-03-SC provides:

> 6. In order to ensure a just and equitable distribution of cases, the designated Special Commercial Court shall continue to participate in the raffles of other cases. Provided, however, that the Executive Judge concerned shall adopt a procedure whereby every IP and SEC case assigned to a Special Commercial Court should be considered a case raffled to it and duly credited to such court. (Emphasis supplied)

[45] See rollo, p. 42.

[46] Id. at 47-48.

[47] Republic of the Phils, v. Nolasco, 496 Phil. 853, 867 (2005).

[48] See Item No. 3 of A.M. No. 03-03-03-SC, as amended, dated June 15, 2015.

[49] A case for quo warranto against members of the board of directors and officers of St John Hospital, Incorporated, docketed as Civil Case No. T-1007.

[50] Supra note 40.

[51] See id. at 314-316.

[52] Section 19 of BP 129, entitled "AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES," as amended by RA 7691, entitled "AN ACT EXPANDING THE JURISDICTION OF THE METROPOLITAN TRIAL COURTS, MUNICIPAL TRIAL COURTS, AND MUNICIPAL CIRCUIT TRIAL COURTS, AMENDING FOR THE PURPOSE BATAS PAMBANSA BLG. 129, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980,'" reads:

> Section 19. Jurisdiction in civil cases. - Regional Trial Courts shall exercise exclusive original jurisdiction:
>
> (1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation;
>
> (2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds Twenty thousand pesos (P20,000.00) or for civil actions in Metro Manila, where such the value exceeds Fifty thousand pesos (P50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;
>
> (3) In all actions in admiralty and maritime jurisdiction where he demand or claim exceeds One hundred thousand pesos (P100,000.00) or , in Metro Manila, where such demand or claim exceeds Two hundred thousand pesos (P200.000.00):
>
> (4) In all matters of probate, both testate and intestate, where the gross value of the estate exceeds One hundred thousand pesos (P100,000.00) or, in probate matters in Metro Manila, where such gross value exceeds Two hundred thousand pesos (P200,000.00);

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(5) In all actions involving the contract of marriage and marital relations;

(6) In all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising jurisdiction or any court, tribunal, person or body exercising judicial or quasi- judicial functions;

(7) In all civil actions and special proceedings falling within the exclusive original jurisdiction of a Juvenile and Domestic Relations Court and of the Court of Agrarian Relations as now provided by law; and

(8) In all other cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs or the value of the property in controversy exceeds One hundred thousand pesos (P100,000.00) or. in such other cases in Metro Manila, where the demand, exclusive of the abovementioned items exceeds Two hundred thousand pesos (P200,000.00).

[53] Section 5 (5), Article VIII of the 1987 Philippine Constitution reads:

Section 5. The Supreme Court shall have the following powers:

x x x x

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the integrated bar, and legal assistance to the under-privileged. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.

x x x x

DISSENTING OPINION

PEREZ, J.:

I am constrained to register my dissent to the ponencia that the Securities and Exchange Commission's (SEC's) jurisdiction over cases enumerated in Section 5 of Presidential Decree (P.D.) No. 902-A was transferred to all Regional Trial Courts, unaffected by the proviso in the same Section that the Supreme Court may designate the Regional Trial Court branches that shall exercise the transferred jurisdiction. I base my dissent on the plain wording of Section 5.2 of Republic Act. No. 8799 or "The Securities Regulation Code."

Briefly, the undisputed facts.

Petitioners Manuel Luis C. Gonzales and Francis Martin D. Gonzales filed a Complaint against respondents GJH Land, Inc. (formerly known as S.J. Land, Inc.), Chang Hwan Jang, Sang Rak Kim, Mariechu N. Yap, and Atty. Roberto P. Mallari II before the Regional Trial Court (RTC) of Muntinlupa City seeking to enjoin the sale of S.J. Land, Inc.'s shares which petitioners purportedly already bought from, and fully paid to, S.J. Global, Inc. on 1 February 2010. Petitioners, the Gonzales', designated their Complaint as a Civil Case for Injunction with prayer for Status Quo Order, TRO and Damages.[1]

Essentially, the allegations in the Complaint state that petitioners subscribed to a total of 295,116 shares fully paid in the books of S.J. Land Inc., acquiring 40% and 10% of the outstanding capital stock thereof. The bone of contention in the Complaint is the status of the shares, i.e., whether fully paid or unpaid by petitioners and the consequent issue of ownership and its incidences.

Upon filing of the Complaint with the Office of the Clerk of Court of the RTC of Muntinlupa City, it was raffled to Branch 276, which is not a Special Commercial Court. On 9 and 24 August 2011, the RTC, Branch 276, in two separate Orders, issued a temporary restraining order and a writ of preliminary injunction.

After filing their respective answers to the complaint, respondents filed a motion to dismiss on the ground of lack of jurisdiction over the subject matter, pointing out that the case involves an intra-corporate dispute and should, thus, be heard by the designated Special Commercial Court of Muntinlupa City.

In an Order dated 17 April 2011, Branch 276 granted the motion to dismiss, ruling that the case involves an intra-corporate dispute falling within the original and exclusive jurisdiction of the RTCs designated as Special Commercial Courts, Branch 256 in this instance. Since Branch 276 was not specifically designated by the Supreme Court as a commercial court, it had no jurisdiction over the intra-corporate dispute, and accordingly, the case should be dismissed.

On motion for reconsideration, petitioners argued that: (1) they had no control over raffle of cases; (2) the RTCs have jurisdiction over intra-corporate disputes pursuant to Republic Act (R.A.) No. 8799, with only the Supreme Court designating specific branches as special commercial courts, thus, at most, the case should be transferred or raffled to the proper branch; and (3) in all, as a matter of justice and equity, they cannot be prejudiced by the incorrect raffling of their case since they complied with the rules for the filing of cases.

Branch 276 stood pat on its ruling that it was without jurisdiction to hear, decide and act on the case, not designated as a special commercial court pursuant to A.M. No. 00-11-03-SC/l 1-21-00. Ratiocinating further that without any kind of authority to act thereon, Branch 276 can only dismiss the case and cannot order the transfer of the case to the proper RTC following our ruling in Calleja v. Panday.[2] The reversal of the rulings is the object of this Petition before us.

In granting the petition, the ponencia starts with the basic premise that jurisdiction over the subject matter is conferred by law, distinct from the exercise of jurisdiction which, unless provided by the law itself, is governed by the Rules of Court or by the orders issued from time to time by the Court. The ponencia points to R.A. No. 8799, specifically Section 5.2, as the law conferring (transferring) original and exclusive jurisdiction to the appropriate RTCs (from the Securities and Exchange Commission) over cases enumerated in Section 5 of Presidential Decree (P.D.) No. 902-A (SEC Cases). The ponencia clarifies, however, that the Supreme Court's designation of specific Special Commercial Courts, made subject of various Supreme Court Administrative Matters,[3] was not a conferment of jurisdiction, but a "procedural tool to promote expediency and efficiency in the exercise of the RTCs jurisdiction over such cases." In this instance, pursuant to our Rules directing the manner by which jurisdiction shall be exercised, commercial cases were required to be filed in the Office of the Clerk of Court in the official station of the designated Special Commercial Courts.

The ponencia emphasizes that, petitioners having "correctly filed an intra-corporate case with the Office of the Clerk of Court in the RTC of Muntinlupa City, which is the official station of the designated Special Commercial Court, in accordance with [the Rules]," the RTC, "from the time of such filing[,] acquired jurisdiction over the subject matter or the nature of the action."

Specifically, the ponencia holds:

> Unfortunately, the case was raffled to Branch 276 instead of being assigned to the single Special Commercial Court in the RTC of Muntinlupa City, which is Branch 256. As the Court sees it, this erroneous raffling to a regular branch instead of to a Special Commercial Court is only a matter of procedure - that is, an incident related to the RTC's exercise of jurisdiction - and, thus, should not negate the jurisdiction which the RTC of Muntinlupa City had already acquired. As such, Branch 276 should have merely ordered the transfer of the

> case to Branch 256, and not its dismissal, x x x

In sum, the ponencia, discussing and citing the cases of Calleja, on which the court a quo based the herein assailed Order, Tan v. Bausch & Lomb, Inc.,[4] and Home Guaranty Corporation v. R-II Builders, Inc.,[5] draws a distinction between subject matter jurisdiction conferred by law, in this instance falling with the RTCs, and the exercise of jurisdiction, in accordance with the designation of appropriate RTCs by the Supreme Court. Thus, according to the ponencia, the RTC of Muntinlupa City regardless of the Supreme Court designated branch, acquired jurisdiction over Civil Case No. 11-077 upon the filing of the complaint in the official station of the designated Special Commercial Courts. Thus, too, Branch 276, an RTC, albeit not designated as a Special Commercial Court, should simply order the transfer of the case to Branch 256, the designated Special Commercial Court, contemplating merely a procedural matter, incidental to the RTC's exercise of jurisdiction. In all, as per the ponencia, the general investiture of jurisdiction to all RTCs is absolute, and once acquired, any of the RTCs may, in the exercise of vested jurisdiction, order the transfer of cases to the specific branch designated by the Supreme Court as a Special Commercial Court.

With all due respect, the ponencia proceeds from the wrong premise that the law vested jurisdiction over transferred SEC cases on all the Regional Trial Courts and that the designation by the Supreme Court of Special Commercial Courts concern only an "exercise of jurisdiction."

Section 5, Item 5.2 of R.A. No. 8799 reads:

> SEC. 5. Powers and Functions of the Commission. — x x x
>
> xxxx
>
> 5.2 The Commission's jurisdiction over all cases enumerated under Section 5[6] of Presidential Decree No. 902-A is hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court: Provided, that the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over the cases. The Commission shall retain jurisdiction over pending cases involving intra-corporate disputes submitted for final resolution which should be resolved within one (1) year from the enactment of this Code. The Commission shall retain jurisdiction over pending suspension of payments/rehabilitation cases filed as of 30 June 2000 until finally disposed.

Thus, I am constrained to differ based on the statements in, and exact wording of, the law

It is first axiom in legal hermeneutics that a statutory provision is read as a whole and not in disjointed parts. The rule is as respected as it is ancient. Its sum and substance has not been diluted no matter how frequent the free paraphrases have been. The textbook says:

> Subject always to the cardinal rule of statutory construction, the courts should give every reasonable interpretation to a statute which will give effect and meaning to every part or word thereof.
>
> A statute should be construed that no word, clause, sentence, provision or part shall be rendered surplusage, or superfluous, meaningless, void, insignificant or nugatory, if that can be reasonably avoided.
>
> The rule has its basis in the presumption that the legislature could not have intended to use words in vain or to leave part of its enactment devoid of sense or meaning. It cannot be presumed that the legislature introduced into a statute, words, clauses, provisions which would annul or mutually destroy each other. Rather, it is to be presumed that it is the purpose of the legislature that the entire statute and every part thereof should be significant and effective.
>
> The maxim "ut res tnagis quam per eat" requires not merely that a statute should be given effect as a whole but that effect should be given to each of its express provisions.

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> Under this rule, that construction is favored which will render every word operative rather than one which makes some words idle and nugatory.
>
> However, the court may not, in order to give effect to particular words, virtually destroy the meaning of the entire context, e.g., give them a significance which would be clearly repugnant to the statute looked upon as a whole and destructive of its obvious intent.[7]

Included in the Philippine applications of the tenet are the cases of: (1) Land Bank of the Philippines v. AMS Farming Corporation;[8] Mactan-Cebu International Airport Authority v. Urgello;[9] and Smart Communications, Inc. v. The City of Danao,[10] as cited in Philippine International Trading Corporation v. Commission on Audit[11] where the Court's ruling was:

> It is a rule in statutory construction that every part of the statute must be interpreted with reference to the context, i.e., that every part of the statute must be considered together with the other parts, and kept subservient to the general intent of the whole enactment. Because the law must not be read in truncated parts, its provisions must be read in relation to the whole law. The statute's clauses and phrases must not, consequently, be taken as detached and isolated expressions, but the whole and every part thereof must be considered in fixing the meaning of any of its parts in order to produce a harmonious whole. Consistent with the fundamentals of statutory construction, all the words in the statute must be taken into consideration in order to ascertain its meaning.

I must here repeat the application of the rule. Thus must the following conclusions be reached.

Section 5, Item 5.2 of R.A. No. 8799 did not transfer the cases enumerated under Section 5 of P.D. No. 902-A to all the RTCs. If that was the legislative intention, then the provision should have simply stated that such cases are "hereby transferred to the Regional Trial Courts." The complete investiture is, however, on "the courts of general jurisdiction or the appropriate Regional Trial Court: Provided, that the Supreme Court, in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over the cases." If the law is a general conferment of jurisdiction on all RTC, then the phrase "or the appropriate Regional Trial Court" is an inutile surplusage and the proviso that "the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over the cases" is a purposeless appendage and wasted words. A general grant to all RTCs renders irrelevant the "Supreme Court's exercise of authority" on the matter. Such a general grant renders meaningless the designation by the Supreme Court of the RTC branches that shall exercise jurisdiction over the cases.

Each word in the law was purposely written; and all such words make up the phrased idea. This is a basic presumption: To repeat -

> [T]he legislature could not have intended to use words in vain or to leave part of its enactment devoid of sense or meaning. It cannot be presumed that the legislature introduced into a statute, words, clauses, provisions which would annul or mutually destroy each other. Rather, it is to be presumed that it is the purpose of the legislature that the entire statute and every part thereof should be significant and effective.[12]

Section 5, Item 5.2 of R.A. No. 8799 should therefore be read to mean that SEC's jurisdiction over all cases under Section 5 of P.D. No. 902-A is transferred to the specific RTC branch designated by the Supreme Court in the exercise of its authority.

This is the reading of the Supreme Court as expressed with precision in A.M. No. 00-11-03-SC dated 21 November 2000 which is aptly titled "Resolution Designating Certain Branches of Regional Trial Courts To Try and Decide Cases Formerly Cognizable by the Securities and Exchange Commission" "arising within their respective territorial jurisdictions with respect to the National Capital Region and within the respective provinces

in the First to the Twelfth Judicial Regions." This En Banc Resolution opened with a purpose clause reading "to implement the provisions of Sec. 5.2 of Republic Act No. 8799 (The Securities Regulation Code). This is an unequivocal statement that the Court interprets the provision to mean that only the RTC Branches that it shall designate to hear and decide Special Commercial Court cases can exercise jurisdiction over such cases. The issued guideline reinforces the exclusivity of the designation:

> 1. In multiple sala courts where one (1) or more branches of the RTC are herein designated as special courts, there will be no unloading of cases already pending in the branches designated. They shall continue to try and decide the said cases in addition to the SEC cases. In the meantime, in view of the temporary imbalance of caseload as a result of the transfer of SEC cases, the Executive Judge concerned shall exclude them in the raffle of newly filed cases in their station until their workload equals to that of the other branches, in which event they shall be included in the raffle of other civil and criminal cases.
>
> x x x x
>
> 5. In provinces (for the First to the Twelth Judicial Regions) where there are no designated special courts, the Executive Judge of the station where new SEC cases will be filed shall consult the Supreme Court thru the Office of the Court Administrator.

There have been subsequent designations of RTC Branches as SEC courts, namely: RTC Branch 142, Makati City through A.M. No. 00-11-03-SC; RTC Branch 34, Calamba, Laguna through amendment A.M. No. 00-11-03-SC; RTC Branch 40, in Daet, Camarines Norte; RTC Branch 2, Tuguegarao, Cagayan; RTC Branch 74, Malabon; RTC Branch 36, Masbate again through an amendment of A.M. No. 00-11-03-SC; and RTC Branch 23 of Naga City through A.M. No. 01-5-298-RTC.

There has been, as just enumerated, as many iterations by the court itself of its reading of Section 5, Item 5.2 of P. D. 8799 i.e., that the law transferred the SEC jurisdiction over the cases listed in Sec. 5 of P.D. No. 902-A to the particular branches of the RTCs designated by the Supreme Court as such. Unavoidable, therefore, is the conclusion that all other Branches of the RTCs without the Supreme Court designation are without jurisdiction over SEC cases. And, following unreversed rulings[13] the other Branches of the RTC before whom a SEC case is filed must dismiss such case for want of jurisdiction. Furthermore, absent such jurisdiction, the non-SEC RTC cannot direct the case to the "proper" court.[14]

The unavoidable, because statutorily mandated, allocation to RTC branches of the authority to decide SEC cases had, just as unavoidably, resulted in caseload imbalance in affected areas. Parenthetically, there was a resulting caseload imbalance since R.A. No. 8799 did not create Commercial Courts. The law merely unloaded SEC cases to the branches designated by the Supreme Court as Commercial Courts. The consequent caseload problem urged the exercise by the Court, as administrator, to effect an equitable distribution of cases among the RTC branches in areas where RTC branches have been given jurisdiction over the additional case types. Thus did the Court issue the Resolutions on the exclusion of the SEC designated courts from the raffle of cases.

Such arrangement continued until the weight of the unloaded jurisdiction eased such that the Court in 1 July 2003 issued A.M. No. 03-03-03-SC. It states:

> - The Regional Trial Courts previously designated as SEC Courts through the: (a) Resolutions of this Court dated 21 November 2000, 4 July 2001, 12 November 2002, and 9 July 2002, all issued in A.M. No. 00-11-03-SC, (b) Resolution dated 27 August 2001 in A.M. No. 01-5-298-RTC; and (c) Resolution dated 8 July 2002 in A.M. No. 01-12-656-RTC are hereby DESIGNATED and shall be CALLED as Special Commercial Courts to try and decide cases involving violations of Intellectual Property Rights which fall within their jurisdiction and those cases formerly cognizable by the Securities and Exchange Commission;

> - The designation of Intellectual Property Courts under Administrative Order No. 113-95 dated 2 October 1995, as amended by Administrative Order No. 104-96 dated 21 October 1996 and Resolution dated 19 February 2002 in A.M. No. 02-1-11- SC, is hereby revoked. However, the Regional Trial Court, Branch 24, Manila is hereby designated as an additional Special Commercial Court in the City of Manila;
>
> - Upon the effectivity of this Resolution, all IP cases shall be transferred to the designated Special Commercial Courts except those which have undergone the pre-trial state in civil cases or those where any of the accused has been arraigned in criminal cases which shall be retained by the court previously assigned to try them;
>
> - The Special Commercial Courts shall have jurisdiction over cases arising within their respective territorial jurisdiction with respect to the National Capital Judicial Region and within the respective provinces with respect to the First to Twelfth Judicial Regions. Thus, cases shall be filed in the Office of the Clerk of Court in the official station of the designated Special Commercial Court;
>
> - In the event of inhibition of the judge of a designated Special Commercial Court, the following guidelines shall be observed: (a) where there is only one (1) Special Commercial Court, the case shall be raffled among the other judges in the station; (b) where there are two (2) Special Commercial Courts in the station, the Executive Judge shall immediately assign the case to the other Special Commercial Court; and (c) in case of inhibition of both judges of the Special Commercial Court, the Executive Judge shall raffle the case among the judges in the station; and
>
> - In order to ensure a just and equitable distribution of cases, the designated Special Commercial Courts shall continue to participate in the raffles of other cases. Provided, however, that the Executive Judge concerned shall adopt a procedure whereby every IP and SEC case assigned to a Special Commercial Court should be considered a case raffled to it and duly credited to such court.

What must be noted is the fact that the chosen RTC branch, now called Commercial Court, became such, as distinguished from the other RTC branches because of a special bestowal of jurisdiction by the Court in implementation of the statutorily granted authority. Without such grant mandated by the law, the undesignated RTC branch is without SEC case jurisdiction.

Upon the other hand, the RTC branch, or the Commercial Court, maintain jurisdiction over the cases enumerated in Section 19, of Batas Pambansa Blg. 129.[15]

But the exercise of such jurisdiction is subject to the regulation of the Court in the exercise of its constitutional power of administrative supervision over all lower courts:

> SEC. 5. The Supreme Court shall have the following powers:
>
> x x x x
>
> (5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the Integrated Bar, and legal assistance to the underprivileged. Such rules shall provide simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.
>
> x x x x

Section 6. The Supreme Court shall have administrative supervision over all courts and the personnel thereof.

This is evident from A.M. No. 00-11-03-SC and A.M. No. 03-03-03-SC.

Palpably, RTC caseloads and the need to equalize the caseloads among all branches determine the need for the

Court to issue regulations regarding the Commercial Courts' exercise of jurisdiction over non-commercial cases.

In all, the RTC Commercial Court has exclusive jurisdiction over commercial cases and can still exercise jurisdiction over regular cases if, as determined by the Supreme Court, the caseloads necessitate such exercise.

While there may be arguments in favor of a simpler arrangement whereby all the RTCs in all the Judicial Districts are made Commercial Courts, such arguments cannot be submitted for resolution by the Court. The settlement is in the legislature.

Further on the issue, the proviso that "the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over these cases" is a definition of the conferred jurisdiction. The designation of specific Regional Trial Court branches that will exercise jurisdiction over cases enumerated under Section 5 of P.D. No. 902-A is pursuant to statute and not solely the consequence of the Court's rule-making power and administrative supervisory power of the Court over lower courts under Article VIII, Sections 5 (paragraph 5) and 6, respectively. In fact, A.M. No. 03-03-03-SC on which the ponencia relies heavily for its position that the designation of specific RTC branches as a simple procedural rule incidental to the exercise of jurisdiction, primarily traces its authority for designation of Special Commercial Courts to Section 5.2 of R.A. No. 8799, gleaned from the 1[st] recital clause, to wit:

> WHEREAS, to implement the provisions of Section 5.2 of Republic Act No. 8799 (The Securities and Regulation Code), and in the interest of a speedy and efficient administration of justice, the Supreme Court en banc, in the (a) Resolutions dated 21 November 2000 (Annex 1), 4 July 2001 (Annex 1-a), 12 November 2002 (Annex 1-b), and 9 July 2002 (Annex 1-c), all issued in A.M. No. 00-11-03-SC; (b) Resolution dated 27 August 2001 in A.M. No. 01-5-298-RTC (Annex 2); and (c) Resolution dated 8 July 2002 in A.M. No. 01-12-656-RTC (Annex 3), resolved to designate certain branches of the Regional Trial Courts to try and decide cases formerly recognizable by the Securities and Exchange Commission;

Plainly, the designation of Special Commercial Courts, as implemented by the Supreme Court through its various rules, pertains to the statutorily conferred jurisdiction and not merely an incident related to the court's exercise of jurisdiction.

The ponencia fails to address an equally important precept on subject matter jurisdiction, i.e., jurisdiction is determined by the averments and allegations of the complaint which in this instance is inarguably a commercial case concerning subscription of shares in a corporation.

From the onset, petitioners, by the filing of their Complaint, supplied the occasion for the exercise of jurisdiction vested by law in a particular court. In short, petitioners invoked the jurisdiction of the RTC (not as a court of general jurisdiction), and with the allegations in their Complaint, specifically invoked the RTC designated as a Special Commercial Court under Section 5.2 of RA 8799, implemented under A.M. No. 03-03-03-SC. Petitioners cannot just simply file their Complaint before the RTC without any specificity, given the allegations contained therein and the reliefs they prayed for.

I cannot give credence to petitioners' stance that they cannot be faulted for the incorrect raffling of their Complaint to a regular court, having filed the same before the Office of the Clerk of Court in the RTC of Muntinlupa City. Petitioners obviously argue that their only responsibility as plaintiffs in this case is to file the case with the RTC despite Section 5.2 of R.A. No. 8799 confining exclusive and original jurisdiction over cases enumerated under Section 5 of P.D. No. 902-A to the appropriate RTC.

I invite attention to the statement in the ponencia that "petitioners correctly filed an intra-corporate case with the Office of the Clerk of Court in the RTC of Muntinlupa City, which is the official station of the designated Special Commercial Court, in accordance with A.M. No. 03-03-03-SC." The ponencia then concludes that the RTC had

validly acquired jurisdiction over the subject matter or the nature of the action from the time of such filing.

Quite notably, petitioners did not intend to file an intra-corporate case: they labeled their Complaint though incorrectly as a Civil Case for Injunction with prayer for Status Quo Order, TRO and Damages. At that time they filed their Complaint in 2011, petitioners were with the aid of counsel, a full service law firm and R.A. No. 8799 and the implementing rules of the Supreme Court for the designation of Special Commercial Courts, have long been effective. Subject matter jurisdiction over their Complaint, the nature determined by the allegations therein, has been settled and delineated to be with not just any RTC, but the appropriate RTC specially designated by the Supreme Court as a Special Commercial Court pursuant to law.

Petitioners, as plaintiffs, by the filing of their Complaint, are charged with responsibility to properly and correctly invoke the jurisdiction of the RTC whether in the exercise of its general jurisdiction or as a Special Commercial Court. Palpably, petitioners' incorrect labeling of their Complaint precipitated the incorrect raffling thereof to a regular court, Branch 276, which, by specific provision of law, is without subject matter jurisdiction to act thereon given that it had not been designated as a Special Commercial Court.

Second, with the incorrect labeling of their Complaint and the wrong invocation of the RTC's regular jurisdiction, the designated Special Commercial Court did not acquire jurisdiction over the Complaint by the mere filing thereof with the multi sala RTC. Since petitioners had filed what they labeled as a Civil Case, they knowingly filed it pursuant to the general jurisdiction of the RTC under Sec. 19 of B.P. Big. 129.

The mere filing of the Complaint before the Office of the Clerk of Court in the RTC of Muntinlupa City, in the official station of the designated Special Commercial Court as what occurred herein, is not equivalent to the correct and proper filing of the Complaint before the appropriate Regional Trial Court specially designated by the Supreme Court to hear and decide cases enumerated under Section 5 of P.D. No. 902-A. Branch 276 of the RTC, to which the Complaint was consequently raffled, in the exercise of its general jurisdiction, cannot order the transfer of the Complaint to Branch 256, the designated Special Commercial Court. Branch 276 cannot do so on the basis of authority over the case which it did not have. Neither does it have authority over a co-equal court.

Note that in this case, petitioners, given the labeling of their Complaint as a Civil Case, should suffer the consequences of its own act. The Office of the Clerk of Court, cannot be faulted for raffling it to the RTC of general jurisdiction as petitioners themselves invoked such general jurisdiction.

In Calleja v. Panday,[16] we likewise took note of the fact that therein plaintiffs petition for quo warranto was filed as late as 2005, by that time A.M. No. 00-11-03-SC has been in effect for four years, and A.M. No. 03-03-03-SC effective for almost two years, where there appears no cogent reason why plaintiffs were not aware of the appropriate court where their petition should be filed.

Such can also be said in this case, albeit there is only one designated Special Commercial Court. With more reason should it be noted in this case since petitioners herein has even incorrectly labeled their Complaint as a Civil Case. They cannot claim that it should not be prejudiced by the incorrect raffling of their Complaint, laying fault solely on the Office of the Clerk of Court.

Indeed, We should, as warranted, require from counsels disciplined knowledge of procedure. Courts should not themselves correct the procedural mistakes of pleaders. I cannot overemphasize, and ultimately revert to the fact, that subject matter jurisdiction was conferred by law (Section 5.2 of R.A. No. 8799) to the appropriate RTC as determined thru the designation by the Supreme Court.

Consistent with the observable conformity with, nay affirmance by the existing administrative issuances relative to the foregoing opinion, the following directives are reiterated for continuing validity and, therefore, compliance.

1. A.M. No. 00-11 -03-SC, August 27, 2001
2. A.M. No. 03-03-03-SC, July 1, 2003, and
3. All related issuances

Thus, I vote to DENY the petition. The Orders dated 17 April 2012 and 9 July 2012 of the Regional Trial Court of Muntinlupa City, Branch 276 in Civil Case No. 11-077 are AFFIRMED. The Complaint docketed as Civil Case No. 11-077 is DISMISSED for lack of jurisdiction without prejudice to its re-filing in the proper court.

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[1] Rollo, p. 42; Complaint.

[2] 518 Phil. 801(2006).

[3] A.M. No. 00-8-10-SC; AM No. 00-11-03-SC; Administrative Circular No. 08-2001; A.M. No. 03-03-03-SC; OCA Circular No. 82-2003.

[4] 514 Phil. 307(2005)

[5] 660 Phil. 517 (2011), later deleted as citation in the revised ponencias.

[6] SEC. 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving:

> (a) Devices or schemes employed by or any acts, of the board of directors, business associates, its officers or partnership, amounting to fraud and misrepresentation which may be detrimental to the interest of the public and/or of the stockholder, partners, members of associations or organizations registered with the Commission;
>
> (b) Controversies arising out of intra-corporate or partnership relations, between and among stockholders, members, or associates; between any or all of them and the corporation, partnership or association of which they are stockholders, members or associates, respectively; and between such corporation, partnership or association and the state insofar as it concerns their individual franchise or right to exist as such entity; and
>
> (c) Controversies in the election or appointments of directors, trustees, officers or managers of such corporations, partnerships or associations.

[7] Martin, Statutory Construction, 6[th] Ed., p. 141 citing Martin v. Shippard, 102 S. Co. 2nd, p. 1036; Adamowski v. Bard, A.C., Pa. 193 F. 2d., p. 578; Black on Interpretation of Laws, 322-323; Denvis v. Roses, 52 P. 333; Shimonek v. Tillanan, 1 P. 2d., 154; and Van Dyke v. Cordova Copper Co., 15Ld2d. 1273.

[8] G.R. No. 174971, 15 October 2008, 569 SCRA 154, 183.

[9] G.R. No. 162288, 4 April 2007, 520 SCRA 515, 535.

[10] G.R. No. 155491, 16 September 2008, 565 SCRA 237, 247-248.

[11] 635 Phil. 447, 454 (2010).

[12] Martin, Statutory Construction 1984 Ed. p. 141 citing Black on Interpretation of Laws, 322-323.

[13] Calleja v. Panday, supra note 2; Home Guaranty Corporation, supra note 5; and Fabia v. Court of Appeals, 11 September 2002, 388 SCRA 574.

[14] Home Guaranty Corporation v. R-II Builders, supra note 5.

[15] Section 19. Jurisdiction in civil cases. - Regional Trial Courts shall exercise exclusive original jurisdiction:

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(1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation;

(2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds Twenty thousand pesos (P20,000.00) or for civil actions in Metro Manila, where such the value exceeds Fifty thousand pesos (50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;

(3) In all actions in admiralty and maritime jurisdiction where he demand or claim exceeds One hundred thousand pesos (PI00,000.00) or , in Metro Manila, where such demand or claim exceeds Two hundred thousand pesos (200,000.00);

(4) In all matters of probate, both testate and intestate, where the gross value of the estate exceeds One hundred thousand pesos (P100,000.00) or, in probate matters in Metro Manila, where such gross value exceeds Two hundred thousand pesos (200,000.00);

(5) In all actions involving the contract of marriage and marital relations;

(6) In all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising jurisdiction or any court, tribunal, person or body exercising judicial or quasi-judicial functions;

(7) In all civil actions and special proceedings falling within the exclusive original jurisdiction of a Juvenile and Domestic Relations Court and of the Courts of Agrarian Relations as now provided by law; and

(8) In all other cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs or the value of the property in controversy exceeds One hundred thousand pesos (100,000.00) or, in such other abovementioned items exceeds Two hundred thousand pesos (200,000.00). (as amended by R.A. No. 7691*)

[16] Supra note 2.

CONCURRING OPINION

LEONEN, J.:

I concur with the ponencia's conclusion that the designation of certain Regional Trial Court branches as Special Commercial Courts does not work to confer jurisdiction over the branches designated as such. It was an error for the Muntinlupa City Regional Trial Court, Branch 276, to dismiss the Complaint filed by petitioners. As the ponencia underscores, Branch 276 should have instead transferred the case to the Muntinlupa City Regional Trial Court, Branch 256, the branch duly designated to perform the Muntinlupa City Regional Trial Court's functions as a Special Commercial Court. The present Petition must, thus, be granted.

Jurisdiction over what the ponencia collectively refers to as SEC Cases was vested by Republic Act No. 8799, otherwise known as the Securities Regulation Code, in Regional Trial Courts and is not limited to the Regional Trial Court branches designated by this court as Special Commercial Courts. It is only the legislature that has the power "to define, prescribe, and apportion the jurisdiction of various courtsf.]"[1] As Congress does not share this power with this court, in relation with these issues, this court's competence is limited to "administrative supervision over all courts[,]"[2] as well as the "[p]romulgat[ion of] rules concerning . . . pleading, practice, and procedure in all courts[.]"[3] It was purely in the exercise of these powers, and not for the purpose of vesting jurisdiction where previously there was none, that this court designated certain Regional Trial Court branches as Special Commercial Courts.

The text of Section 5.2[4] of the Securities Regulation Code, the statutory provision that transferred jurisdiction over SEC Cases from the Securities and Exchange Commission to the Regional Trial Courts, bears this out. It refers to Regional Trial Courts in general and in their capacity as courts of general jurisdiction. It delimits the capacity of this court to designate Regional Trial Court branches as Special Commercial Courts to only be "in the exercise of its authority[,]"[5] i.e., administrative supervision and promulgation of procedural rules. It specifies that the effect of this court's designation is to enable the branches so specified to "exercise jurisdiction"[6] and not to vest jurisdiction.

I

Jurisdiction over all cases enumerated under Section 5[7] of Presidential Decree No. 902-A, which were previously under the jurisdiction of the Securities and Exchange Commission, was vested in Regional Trial Courts by Section 5.2 of the Securities Regulation Code. Section 5.2 reads:

> SEC. 5. Powers and Functions of the Commission. - . . .
>
> 5.2. The Commission's jurisdiction over all cases enumerated under Section 5 of Presidential Decree No. 902-A is hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court: Provided, That the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over these cases. The Commission shall retain jurisdiction over pending cases involving intra-corporate disputes submitted for final resolution which should be resolved within one (1) year from the enactment of this Code. The Commission shall retain jurisdiction over pending suspension of payments/rehabilitation cases filed as of 30 June 2000 until finally disposed.

This statutory provision was adopted pursuant to the legislature's power under Article VIII, Section 2[8] of the 1987 Constitution "to define, prescribe, and apportion the jurisdiction of various courts[.]" In contrast, the designation of Special Commercial Courts, through this court's November 21, 2000 Resolution in A.M. No. 00-11-03-SC, was pursuant to this court's power under Article VIII, Section 6[9] of the 1987 Constitution to exercise "administrative supervision over all courts." A.M. No. 00-11-03-SC did not work to confer jurisdiction independently of Section 5.2 of the Securities Regulation Code. A.M. No. 00-11-03-SC itself declares that it was adopted merely "[t]o implement the provisions of Sec. 5.2 of Republic Act No. 8799[.]"[10]

Congress' power "to define, prescribe, and apportion the jurisdiction of various courts" is constitutionally established. While it may be true that the allocation of competencies among courts may be incidental and necessary to the power to adjudicate cases, the sovereign, through the Constitution, deemed it fit for the legislature to exercise this power to balance and temper judicial power. We cannot, in the guise of judicial interpretation, disregard a clear command of the Constitution.

The power vested solely and exclusively in Congress has clear limitations: First, Congress cannot diminish the jurisdiction of this court, which jurisdiction is spelled out in Article VIII, Section 5[11] of the 1987 Constitution; and second, Congress cannot increase the "appellate jurisdiction of [this court] without its advice and concurrence."[12]

The exclusivity and non-delegability of Congress' power "to define, prescribe, and apportion the jurisdiction of various courts" is long settled.

In University of Santo Tomas v. Board of Tax Appeals,[13] this court was confronted with an issuance by the President of the Philippines, i.e., Executive Order No. 401-A, that was purportedly enacted pursuant to an enabling statute, Republic Act No. 422.[14] Executive Order No. 401-A created the Board of Tax Appeals and defined its jurisdiction, as follows:

> SEC. 8. The Board of Tax Appeals shall have exclusive jurisdiction to hear and decide administratively as hereinafter provided —
>
> (1) All appeals from decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue[.][15]

This court declared Executive Order No. 401-A null and void to the extent where it interfered with the jurisdiction of Courts of First Instance, but sustained its validity in all other respects.[16] This court emphasized that, in the first place, Republic Act No. 422's purpose was limited only to "effect[ing] a reorganization of the different bureaus, offices, agencies and instrumentalities of the executive branch of the government."[17] Republic Act No. 422 did not go so far as to enable the President to create a body or to promulgate an issuance which, "in effect deprives the courts of first instance of their jurisdiction in actions for recovery of taxes which is granted to them by section 306[18] of the National Internal Revenue Code."[19]

For that matter, even though Republic Act No. 422 actually enabled the President to do so, this statutory grant (i.e., delegation) of power would have been invalid. This court categorically stated that under the Constitution, "Congress alone has 'the power to define, prescribe, and apportion the jurisdiction of the various courtsf,]'"[20] and that this is a power that cannot be delegated by Congress.[21] Pursuant to this power, jurisdiction vested in Courts of First Instance was conferred on them by statute, i.e., an act of the legislature, and the President, the existence of a supposed enabling statute notwithstanding, cannot himself define their jurisdiction:

> But Executive Order No. 401-A does not merely create the Board of Tax Appeals, which, as an instrumentality of the Department of Finance, may properly come within the purview of Republic Act No. 422, but goes as far as depriving the courts of first instance of their jurisdiction to act on internal revenue cases a matter which is foreign to it and which comes within the exclusive province of Congress. This the Chief Executive cannot do, nor can that power be delegated by Congress, for under our Constitution, Congress alone has "the power to define, prescribe, and apportion the jurisdiction of the various courts. "[22] (Emphasis supplied, citation omitted)

The same conclusions were reached by this court in Corominas, Jr., and Corominas & Co. v. Labor Standard Commission, et al.[23] Here, this court found the Government Survey and Reorganization Commission to have exceeded its authority when, through its Reorganization Plan No. 20-A,[24] it vested jurisdiction over money claims arising from labor standards violations in the regional offices of the (then) Department of Labor.[25] Reorganization Plan No. 20-A ran counter to Republic Act No. 602, the then Minimum Wage Law, Sections 15(d),[26] 15(e),[27] and 16(a)[28] of which vested jurisdiction over money claims cases in a "competent court."

In Corominas, this court noted that Republic Act No. 997,[29] the statute creating the Government Survey and Reorganization Commission, did not enable the Commission to create a body exercising judicial power and intruding into the jurisdiction of courts.[30] So, too, this court emphasized that Congress could not have done so "as the Legislature may not and cannot delegate its power to legislate or create courts of justice to any other agency of the Government."[31]

Bereft of the power "to define, prescribe, and apportion the jurisdiction of various courts[,]" this court's competence is limited to "administrative supervision over all courts[,]"[32] as well as the "[p]romulgat[ion] [of] rules concerning . . . pleading, practice, and procedure in all courts[.]"[33]

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II

Section 5.2 of the Securities Regulation Code's investiture of jurisdiction over erstwhile SEC Cases in Regional Trial Courts is clear: "The Commission's jurisdiction over all cases enumerated under section 5 of Presidential Decree No. 902-A is hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court[.]"

Concededly, the use of the disjunctive conjunction "or" leads to some degree of confusion. Customarily, the use of "or" denotes that the items mentioned are alternative to each other. Thus, Section 5.2 appears to mean that "Courts of general jurisdiction" are distinct from Regional Trial Courts and that one can stand in place of the other. However, it is settled that, in our judicial system, it is the Regional Trial Courts which themselves stand as courts of general jurisdiction. They are one and the same. As this court stated in Durisol Philippines, Inc. v. Court of Appeals:[34]

> The regional trial court, formerly the court of first instance, is a court of general jurisdiction. All cases, the jurisdiction over which is not specifically provided for by law to be within the jurisdiction of any other court, fall under the jurisdiction of the regional trial court.[35]

The consideration of Regional Trial Courts as courts of general jurisdiction proceeds from Section 19(6) of Batas Pambansa Big. 129, otherwise known as the Judiciary Reorganization Act of 1980:

> SEC. 19. Jurisdiction in civil cases.—Regional Trial Courts shall exercise exclusive original jurisdiction:
>
> . . . .
>
> 6. In all cases not within the exclusive jurisdiction of any court, tribunal, person or body exercising judicial or quasi-judicial functions[.]

The identity of Regional Trial Courts as courts of general jurisdiction is no bar to designating certain Regional Trial Court branches to focus on certain types of cases. To the contrary, it is this identity which permits it. Designating branches to focus on certain types of cases, in order to facilitate the efficient dispensation of justice, is well within their nature as courts competent to take cognizance of cases not falling under the exclusive jurisdiction of any other court, tribunal, person, or body. Designating branches as such balances two considerations: on the one hand, their nature as courts, which because they have general jurisdiction, can exercise jurisdiction over the specific matter to which they were assigned; and, on the other, their duty to speedily administer justice.

Accordingly, this designation does not work to confer jurisdiction over these branches when previously there was none. It merely exhorts them to proceed with dispatch and deftness. This is evident from Section 23 of the Judiciary Reorganization Act of 1980:

> SEC. 23. Special jurisdiction to try special cases. — The Supreme Court may designate certain branches of the Regional Trial Courts to handle exclusively criminal cases, juvenile and domestic relations cases, agrarian cases, urban land reform cases which do not fall under the jurisdiction of quasi-judicial bodies and agencies, and/or such other special cases as the Supreme Court may determine in the interest of a speedy and efficient administration of justice. (Emphasis supplied)

Section 23 is not a blanket license for this court to create new courts of limited jurisdiction. It is an enabling mechanism, empowering this court to fulfill its function as the authority having "administrative supervision over all courts[.]"[36]

When the legislature (at that time, it was the interim Batasang Pambansa) adopted the Judiciary Reorganization

Act of 1980, it created all Regional Trial Courts as courts of general jurisdiction, equally competent to exercise the jurisdiction vested in them by the same statute. So, too, when the Securities Regulation Code transferred jurisdiction over SEC Cases, it did so to all of our courts which were recognized as courts of general jurisdiction, that is, to Regional Trial Courts.

Section 5.2's investiture of jurisdiction over Regional Trial Courts notwithstanding, it also contains a proviso enabling this court to "in the exercise of its authority . . . designate the Regional Trial Court branches that shall exercise jurisdiction over [the] cases."

Section 5.2's qualification that this court's power to designate is necessarily only "in the exercise of its authority" is illuminating. It is to say that, in going about its task of designating, this court cannot act in excess of its constitutional authority. This affirms the Constitution's segregation of the competencies of Congress from those of this court. It affirms the exclusivity of Congress' power "to define, prescribe, and apportion the jurisdiction of various courts[.]" This affirms the reality that, bereft of this power, this court's competence is limited to "administrative supervision over all courts[,]"[37] as well as the "[p]romulgat[ion] [of] rules concerning . . . pleading, practice, and procedure in all courts[.]"[38]

Accordingly, it was exclusively in the performance of these competencies that this court adopted its November 21, 2000 Resolution in A.M. No. 00-11-03-SC and specified the Regional Trial Court branches which are to perform functions as Special Commercial Courts.

Equally illuminating is Section 5.2's specification that this court's competence is in designating which branches shall "exercise jurisdiction[.]" As deftly emphasized by the ponencia, conferment of jurisdiction over the subject matter of a case is a matter of substantive law.[39] In contrast, incidents pertaining to the exercise of jurisdiction are a matter of procedure.[40]

A.M. No. 00-11-03-SC did not create a new class of courts. Its purpose is operational efficiency. In its own words, it was adopted to serve "the interest of a speedy and efficient administration of justice[.]"[41] It is, thus, but a procedural and administrative mechanism aimed (to echo the words of the ponencia) "to promote expediency and efficiency in the exercise of the [Regional Trial Courts'] jurisdiction[.]"[42]

Also in its own words, A.M. No. 00-11-03-SC was adopted only "[t]o implement the provisions of Sec. 5.2 of Republic Act No. 8799 [or the Securities Regulation Code]."[43] Thus, in adopting A.M. No. 00-11-03-SC, this court was fully cognizant of how Section 5.2 limited its authority to designate only "in the exercise of its authority[.]" Indeed, this court could not have intended to overstep the constitutional limits of its authority.

III

A.M. No. 00-11-03-SC is not the only administrative issuance of this court specifying Regional Trial Court branches which are to focus on certain types of cases, not because this court created or transformed them into special types of courts in lieu of their being courts of general jurisdiction, but solely in the interest of expediency and efficiency.

In this court's August 1, 2000 Resolution in A.M. No. 00-8-01-SC,[44] this court designated certain Regional Trial Court branches as "Special Courts for drugs cases, which shall hear and decide all criminal cases in their respective jurisdictions involving violations of the Dangerous Drugs Act [of] 1972 (R.A. No. 6425) as amended, regardless of the quantity of the drugs involved."[45]

This court's Resolution in A.M. No. 00-8-01-SC made no pretenses that it was creating new courts of limited jurisdiction or transforming Regional Trial Courts into courts of limited jurisdiction. Instead, it repeatedly referred

to its operational and administrative purpose: efficiency. Its preambular clauses emphasized that the designation of Special Courts was being made because "public policy and public interest demand that [drug] cases ... be expeditiously resolved[,]"[46] and in view of "the consensus of many that the designation of certain branches of the Regional Trial Courts as Special Courts to try and decide drug cases . . . may immediately address the problem of delay in the resolution of drugs cases."[47] Moreover, its dispositive portion provides that it was being adopted "pursuant to Section 23 of [the Judiciary Reorganization Act of 1980], [and] in the interest of speedy and efficient administration of justice[.]"[48]

Consistent with these operational and administrative aims, this court's October 11, 2005 Resolution in A.M. No. 05-9-03-SC,[49] which addressed the question of whether "special courts for dr[u]g cases [may] be included in the raffle of civil and criminal cases other than drug related cases[,]"[50] stated:

> The rationale behind the exclusion of dr[u]g courts from the raffle of cases other than drug cases is to expeditiously resolve criminal cases involving violations of [R.A. No.] 9165 (previously, of [R.A. No.] 6435). Otherwise, these courts may be sidelined from hearing drug cases by the assignment of non-drug cases to them and the purpose of their designation as special courts would be negated. The faithful observance of the stringent time frame imposed on drug courts for deciding dr[u]g related cases and terminating proceedings calls for the continued implementation of the policy enunciated in A.M. No. 00-8-01-SC.[51]

To reiterate, at no point did this court declare the Regional Trial Court branches identified in these administrative issuances as being transformed or converted into something other than Regional Trial Courts. They retain their status as such and, along with it, the Judiciary Reorganization Act of 1980's characterization of them as courts of general jurisdiction. However, this court, in the interest of facilitating operational efficiency and promoting the timely dispensation of justice, has opted to make these Regional Trial Court branches focus on a certain class of the many types of cases falling under their jurisdiction.

Having mentioned this court's Resolutions, which designated Regional Trial Court branches as so-called Drugs Courts, it is crucial to draw the distinction between, on the one hand, this court's designation of certain Regional Trial Court branches as such Drugs Courts, or (as is the subject of this case) Commercial Courts, and, on the other, this court's designation of certain Regional Trial Court branches as so-called Family Courts.

Similarly through a Resolution in an Administrative Matter, this . court's February 1, 2000 Resolution in A.M. No. 99-11-07-SC[52] designated certain Regional Trial Court branches as Family Courts. As with Drugs Courts, this court declared this designation of Family Courts to be "in the interest of the expeditious, effective and efficient administration of justice[.]"[53] This court further specified that this designation was in order "[t]o implement the provisions of Section 17 of Republic Act No. 8369, otherwise known as the 'Family Courts Act of 1997[.]'"[54]

This court's February 1, 2000 Resolution in A.M. No. 99-11-07-SC is, thus, an offshoot of the Family Courts Act of 1997. Section 3 of this statute did not add to, clarify, or make specific mention of the types of cases cognizable by Regional Trial Courts. Rather, it created independent Family Courts that are distinct from Regional Trial Courts. Section 5 spelled out the exclusive original jurisdiction of Family Courts, that is, subject matter jurisdiction that, henceforth, was no longer within the jurisdiction of Regional Trial Courts. Parenthetically, it is well to emphasize that the Family Courts Act of 1997 is a legislative enactment. Accordingly, it was well within its bounds to create courts and define their jurisdiction.

Sections 3 and 5 of the Family Courts Act of 1997 provide:

> SEC. 3. Establishment of Family Courts. - There shall be established a Family Court in every province and city in the country. In case where the city is the capital of the province, the Family Court shall be established in the

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municipality which has the highest population.

SEC. 5. Jurisdiction of Family Courts. - The Family Courts shall have exclusive original jurisdiction to hear and decide the following cases:

a) Criminal cases where one or more of the accused is below eighteen (18) years of age but not less than nine (9) years of age or where one or more of the victims is a minor at the time of the commission of the offense: Provided, That if the minor is found guilty, the court shall promulgate sentence and ascertain any civil liability which the accused may have incurred.

The sentence, however, shall be suspended without need of application pursuant to Presidential Decree No. 603, otherwise known as the "Child and Youth Welfare Code";

b) Petitions for guardianship, custody of children, habeas corpus in relation to the latter;

c) Petitions for adoption of children and the revocation thereof;

d) Complaints for annulment of marriage, declaration of nullity of marriage and those relating to marital status and property relations of husband and wife or those living together under different status and agreements, and petitions for dissolution of conjugal partnership of gains;

e) Petitions for support and/or acknowledgment;

f) Summary judicial proceedings brought under the provisions of Executive Order No. 209, otherwise known as the "Family Code of the Philippines";

g) Petitions for declaration of status of children as abandoned, dependent or neglected children, petitions for voluntary or involuntary commitment of children; the suspension, termination, or restoration of parental authority and other cases cognizable under Presidential Decree No. 603, Executive Order No. 56, (Series of 1986), and other related laws;

h) Petitions for the constitution of the family home;

i) Cases against minors cognizable under the Dangerous Drugs Act, as amended;

j) Violations of Republic Act No. 7610, otherwise known as the "Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act," as amended by Republic Act No. 7658; and

k) Cases of domestic violence against:

1) Women - which are acts of gender based violence that results, or are likely to result in physical, sexual or psychological harm or suffering to women; and other forms of physical abuse such as battering or threats and coercion which violate a woman's personhood, integrity and freedom of movement; and

2) Children - which include the commission of all forms of abuse, neglect, cruelty, exploitation, violence, and discrimination and all other conditions prejudicial to their development.

If an act constitutes a criminal offense, the accused or batterer shall be subject to criminal proceedings and the corresponding penalties.

If any question involving any of the above matters should arise as an incident in any case pending in the regular courts, said incident shall be determined in that court.

This court's designation of Family Courts through its February 1, 2000 Resolution in A.M. No. 99-11-07-SC was pursuant to a transitory provision: Section 17 of the Family Courts Act of 1997. Section 17 required this court to, in the meantime, designate Regional Trial Court branches to act as Family Courts. This designation was of a

temporary nature, effective only in the intervening period pending the establishment of Family Courts:

> SEC. 17. Transitory Provisions. - Pending the establishment of such Family Courts, the Supreme Court shall designate from among the branches of the Regional Trial Court at least one Family Court in each of the cities of Manila, Quezon, Pasay, Caloocan, Makati, Pasig, Mandaluyong, Muntinlupa, Laoag, Baguio, Santiago, Dagupan, Olongapo, Cabanatuan, San Jose, Angeles, Cavite, Batangas, Lucena, Naga, Iriga, Legazpi, Roxas, Iloilo, Bacolod, Dumaguete, Tacloban, Cebu, Mandaue, Tagbilaran, Surigao, Butuan, Cagayan de Oro, Davao, General Santos, Oroquieta, Ozamis, Dipolog, Zamboanga, Pagadian, Iligan, and in such other places as the Supreme Court may deem necessary.
>
> Additional cases other than those provided in Sec. 5 may be assigned to the Family Courts when their dockets permit: Provided, That such additional cases shall not be heard on the same day family cases are heard.
>
> In areas where there are no Family Courts, the cases referred to in Section 5 of this Act shall be adjudicated by the Regional Trial Court.

This court's designation of Family Courts, insofar as there was a need to tentatively provide for specialized courts, proceeded from the same mandate which animated its designation of Drugs Courts, as well as Special Commercial Courts. It was pursuant to the power of this court to administratively supervise lower courts.

The status quo engendered by A.M. No. 99-11-07-SC persists to the present day, more than 15 years after its adoption and almost 18 years after the adoption of the Family Courts Act of 1997. However, the delineation of the exclusive original jurisdiction of Family Courts as against the subject matter jurisdiction of Regional Trial Courts remains. It is just that, from the time of its enactment, the Family Courts Act of 1997 has not been fully implemented. This state of affairs is a fact acknowledged by this court, as, on August 13, 2014, this court issued Memorandum Order No. 20-14 establishing a Committee on Family Courts and Juvenile Concerns, the mandate of which includes the drafting of a plan for effecting the organization of Family Courts.

I have no doubt that this Committee, under the present and able leadership of Justice Teresita J. Leonardo-de Castro, will do all it can to provide a workable and comprehensive plan that will convince Congress to create and fund the statutorily mandated Family Courts. However, this temporary state of affairs can only be remedied by an act of Congress. Hopefully, in due time, Congress can proceed to complete what is mandated by the Family Courts Act of 1997.

ACCORDINGLY, I vote to GRANT the Petition for Review on Certiorari. The Orders dated April 17, 2012 and July 9, 2012 of the Muntinlupa City Regional Trial Court, Branch 276, in Civil Case No. 11-077 must be REVERSED and SET ASIDE. Instead of being dismissed, Civil Case No. 11-077, must be REFFERRED to the Executive Judge of the Muntinlupa City Regional Trial Court, in order that it may be ASSIGNED to the Muntinlupa City Regional Trial Court, Branch 256, the branch duly designated to perform the Muntinlupa City Regional Trial Court's functions as a Special Commercial Court.

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[1] CONST., art. VIII, sec. 2.

[2] CONST., art. VIII, sec. 6.

[3] CONST., art. VIII, sec. 5(5).

[4] Securities Code, sec. 5.2 provides:

SEC. 5. Powers and Functions of the Commission. . . .

5.2. The Commission's jurisdiction over all cases enumerated under Section 5 of Presidential Decree No. 902-A is

hereby transferred to the Courts of general jurisdiction or the appropriate Regional Trial Court: Provided, That the Supreme Court in the exercise of its authority may designate the Regional Trial Court branches that shall exercise jurisdiction over these cases. The Commission shall retain jurisdiction over pending cases involving intra-corporate disputes submitted for final resolution which should be resolved within one (1) year from the enactment of this Code. The Commission shall retain jurisdiction over pending suspension of payments/rehabilitation cases filed as of 30 June 2000 until finally disposed.

[5] SECURITIES CODE, sec. 5.2.

[6] SECURITIES CODE, sec. 5.2.

[7] Pres. Decree No. 902-A (1976), sec. 5 provides:

SEC. 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving.

- Devices or schemes employed by or any acts, of the board of directors, business associates, its officers or partners, amounting to fraud and misrepresentation which may be detrimental to the interest of the public and/or of the stockholder, partners, members of associations or organizations registered with the Commission;

- Controversies arising out of intra-corporate or partnership relations, between and among stockholders, members, or associates; between any or all of them and the corporation, partnership or association of which they are stockholders, members or associates, respectively; and between such corporation, partnership or association and the state insofar as it concerns their individual franchise or right to exist as such entity; and

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

[8] Const., art. VIII, sec. 2 provides:

SECTION 2. The Congress shall have the power to define, prescribe, and apportion the jurisdiction of various courts but may not deprive the Supreme Court of its jurisdiction over cases enumerated in Section 5 hereof.

No law shall be passed reorganizing the Judiciary when it undermines the security of tenure of its Members.

[9] CONST., art. VIII, sec. 6 provides:

SECTION 6. The Supreme Court shall have administrative supervision over all courts and the personnel thereof.

[10] A.M. No. 00-11-03-SC (2000), first par. provides:

To implement the provisions of Sec. 5.2 of Republic Act No. 8799 (The Securities Regulation Code), and in the interest of a speedy and efficient administration of justice and subject to the guidelines hereinafter set forth, the following branches of the Regional Trial Courts (RTC) are hereby designated to try and decide Securities and Exchange Commission (SEC) cases enumerated in Sec. 5 of P.D. No. 902-A (Reorganization of the Securities and Exchange Commission), arising within their respective territorial jurisdictions with respect to the National Capital Judicial Region, and within the respective provinces in the First to the Twelfth Judicial Regions[.]

[11] CONST., art. VIII, sec. 5 provides:

SECTION 5. The Supreme Court shall have the following powers:

(1) Exercise original jurisdiction over cases affecting ambassadors, other public ministers and consuls, and over

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petitions for certiorari, prohibition, mandamus, quo warranto, and habeas corpus.

(2) Review, revise, reverse, modify, or affirm on appeal or certiorari, as the law or the Rules of Court may provide, final judgments and orders of lower courts in:

(a) All cases in which the constitutionality or validity of any treaty, international or executive agreement, law, presidential decree, proclamation, order, instruction, ordinance, or regulation is in question.
(b) All cases involving the legality of any tax, impost, assessment, or toll, or any penalty imposed in relation thereto.
(c) All cases in which the jurisdiction of any lower court is in issue.
(d) All criminal cases in which the penalty imposed is reclusion perpetua or higher.
(e) All cases in which only an error or question of law is involved.

(3) Assign temporarily judges of lower courts to other stations as public interest may require. Such

temporary assignment shall not exceed six months without the consent of the judge concerned.

(4) Order a change of venue or place of trial to avoid a miscarriage of justice.

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the Integrated Bar, and legal assistance to the underprivileged. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.

(6) Appoint all officials and employees of the Judiciary in accordance with the Civil Service Law.

[12] CONST., art. VI, sec. 30 provides:

SECTION 30. No law shall be passed increasing the appellate jurisdiction of the Supreme Court as provided in this Constitution without its advice and concurrence.

[13] 93 Phil. 376 (1953) [Per J. Bautista Angelo, En Banc].

[14] Id. at 379; Rep. Act No. 422 (1950), otherwise known as An Act Authorizing the President of the Philippines to Reorganize within One Year the Different Executive Departments, Bureaus, Offices, Agencies and Other Instrumentalities of the Government, including the Corporations Owned or Controlled by it. Sec. 2 provides:

SEC. 2. For the purpose of carrying out the policy set forth in section one of this Act, the President of the Philippines is hereby authorized to effect by executive order from time to time, for a period not exceeding one year from the date of the approval of this Act, and within the limits of the total current appropriation, such reforms and changes in the different executive departments, bureaus, offices, agencies and other instrumentalities of the government including the corporations owned or controlled by the government as he may deem necessary, with the power to diminish, add to or abolish those existing and create new ones; consolidate related undertakings; transfer functions, appropriations, equipment, property, records, and personnel from one department, bureau, office, agency or instrumentality to another; to eliminate duplicated services or authorize new ones not provided for; classify, combine, split or abolish positions; standardize salaries and do whatever is necessary and desirable to effect economy and promote efficiency in the government service.

[15] University of Santo Tomas v. Board of Tax Appeals, 93 Phil. 376, 379 (1953) [Per J. Bautista Angelo, En Bane].

[16] Id. at 382.

[17] Id.

[18] Id. at 380. University of Santo Tomas v. Board of Tax Appeals cites Sec. 306: SEC. 306. Recovery of tax erroneously or illegally collected. — No suit or proceeding shall be maintained in any court for the recovery of any national internal-revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Collector of Internal Revenue; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress. In any case, no such suit or proceeding shall be begun after the expiration of two years from the date of payment of the tax or penalty.

[19] Id. at 381.

[20] Id. at 382.

[21] Id.

[22] Id.

[23] 112 Phil. 551 (1961) [Per J. Labrador, En Bane].

[24] Id. at 557. Corominas, Jr., and Corominas & Co. v. Labor Standard Commission, et al. cites Reorganization Plan No. 20-A, sec. 25:

25. Each Regional Office shall have original and exclusive jurisdiction over all cases affecting all money claims arising from violations of labor standards on working conditions, including but not restrictive to: unpaid wages, underpayment, overtime, separation pay, and maternity leave of employees/laborers; and unpaid wages, overtime, separation pay, vacation pay, and payment for medical services of domestic help.

[25] Id. at 562.

[26] Rep. Act No. 602 (1951), sec. 15(d) provides:

SEC. 15. Penalties and recovery of wage due under this Act.-

d. The Secretary may bring an action in any competent court to recover the wages owing to an employee under this Act, with legal interest. Any sum thus recovered by the Secretary on behalf of an employee pursuant to this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sums not paid to an employee because he cannot be located within a period of three years shall be covered into the Treasury as miscellaneous receipts.

[27] Rep. Act No. 602(1951), sec. 15(e) provides:

SEC. 15. Penalties and recovery of wage due under this Act-

e. Any employer who underpays an employee in violation of this Act shall be liable to the employee affected in the amount of the unpaid wages with legal interest. Action to recover such liability may be maintained in any competent court by anyone or more employees on behalf of himself or themselves. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee which shall not exceed ten per cent of the amount awarded to the plaintiffs, unless the amount awarded is less than one hundred pesos, in which event the fee may be ten pesos, but not in excess of that amount. Payment of the amount found due to the plaintiffs shall be made directly to the plaintiffs, in the presence of a representative of the Secretary of

the Court. In the event payment is witnessed by the court of its representative, the Secretary shall be notified within ten days of payment that the payment has been made.

[28] Rep. Act No. 602(1951), sec. 16 provides: SEC. 16. Jurisdiction of the courts.-

a. The Court of First Instance shall have jurisdiction to restrain violations of this act; action by the Secretary or by the employees affected to recover underpayment may be brought in any competent Court, which shall render its decision on such cases within fifteen days from the time the case has been submitted for decision; in appropriate instances, appeal from the decisions of these courts on any action under this Act shall be in accordance with applicable law.

[29] An Act Creating the Government Survey and Reorganization Commission and Appropriating Funds Therefor.

[30] Corominas, Jr., and Corominas & Co. v. Labor Standard Commission, et al., 112 Phil. 551, 561 (1961) [Per J. Labrador, En Banc].

[31] Id.

[32] CONST., art. VIII, sec. 6.

[33] CONST., art. VIII, sec. 5(5).

[34] 427 Phil. 604 (2002) [Per J. Ynares-Santiago, First Division].

[35] Id. at 612.

[36] CONST., art. VIII, sec. 6.

[37] Const, art. VIII, sec. 6.

[38] Const, art. VIII, sec. 5(5). j9 Ponencia, p. 4.

[40] See Lozada v. Bracewell, G.R. No. 179155, April 2, 2014, 720 SCRA 371, 381 [Per J. Perlas-Bernabe, Second Division].

[41] A.M. No. 00-11-03-SC (2000).

[42] Ponencia, p. 8.

[43] A.M. No. 00-11-03-SC (2000).

[44] Resolution Designating Certain Branches of the Regional Trial Courts as Special Courts for Drugs Cases Regardless of the Quantity of the Drugs Involved.

[45] A.M. No. 00-8-01-SC (2000).

[46] A.M. No. 00-8-01-SC (2000).

[47] A.M. No. 00-8-01 -SC (2000).

[48] A.M. No. 00-8-01-SC (2000).

[49] Re: Request for Clarification on Whether Drug Court[s] should be Included in the Regular Raffle.

[50] A.M. No. 05-9-03-SC (2005).

[51] A.M. No. 05-9-03-SC (2005).

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[52] Designation of Certain Branches of the Regional Trial Courts as Family Courts.

[53] A.M. No. 99-11-07-SC (2000).

[54] A.M. No. 99-11-07-SC (2000).

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