

JAMES A. STRONG, PETITIONER, VS. THE HONORABLE JUDGE JOSE P. CASTRO IN HIS CAPACITY AS PRESIDING JUDGE REGIONAL TRIAL COURT, NATIONAL CAPITAL JUDICIAL REGION, BRANCH LXXXV, QUEZ...

G.R. No. 63658. June 29, 1985

Ponente: PLANA, J.

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PLANA, J.:

This special civil action for certiorari and prohibition with application for a writ of preliminary injunction, assails the order of respondent judge dated March 3, 1983 restraining the Ministry of Natural Resources from acting on MNR Case No. 4964.

The Malalag Lumber Co., Inc. is a corporation with a logging concession in Cotabato and Davao del Sur. A dispute, arose among its stockholders regarding the transfer and ownership of a bloc of stocks in the corporation. Petitioner James Strong, a stockholder, together with other stockholders, filed a complaint in the Securities and Exchange Commission (SEC Case No. 1959) against respondent Mateo Esparrago, Jr. and others, praying for the annulment of the alleged purchase by the latter of some shares of stock in the Malalag Lumber Co., Inc.

While the SEC case was pending, Strong and his group filed a complaint with the Ministry of Natural Resources (MNR Case No. 4964) questioning the right of the Esparrago group to operate the timber concession of the corporation. They asked the Ministry to stop the logging operations of respondent and his group.

Esparrago, Jr. moved to dismiss the complaint in the MNR, claiming lack of jurisdiction of the Ministry over the subject matter as the same allegedly involved intracorporate matters which were within the exclusive jurisdiction of the Securities and Exchange Commission. The Ministry denied the motion to dismiss as well as the motion to reconsider that denial.

Esparrago, Jr. sought court intercession by filing with the Regional Trial Court of Quezon City a special civil action for prohibition with preliminary injunction to prevent the Ministry of Natural Resources from further taking cognizance of MNR Case No. 4964, based on the same ground he invoked before the Ministry of Natural Resources.

After hearing, the court issued an order dated March 3, 1983, the dispositive paragraph of which reads:

"The facts and the evidence adduced in this case indubitably shows that the proceedings in MNR Case No. 4964 are without or beyond the jurisdiction of the respondent Ministry of Natural Resources officials, and it appearing that there is no appeal nor any other plain, speedy or adequate remedy in the ordinary course of law, this court hereby enjoins and prohibits permanently the respondents Gil Valdez, Moreno B. Cruz and the Honorable Teodoro Peña, from further acting in or hearing MNR Case No. 4964, with costs against the private respondent James A. Strong. With the issuance of the writ of prohibition against the respondents, the court finds no need to issue writ of preliminary injunction."

The foregoing order is now challenged in this petition for certiorari and prohibition.

The Court finds the petition well-taken. The letter-complaint of Strong to the MNR reads:

"November 18, 1981

"The Hon. Teodoro Q. Peña
Minister
Natural Resources
Diliman, Quezon City

"Re: Malalag Lumber Co., Inc.

"Dear Sir:

"With further reference to our earlier protest as the genuine and real stockholders of Malalag Lumber Company, Inc., holder of TLA Permit No. 216 over a forest concession area in Digos, Davao del Sur, we beg to inform you herewith that the latest turn of events our hearings before the Securities and Exchange Commission, as your Ministry can verify, have already established through our reputable testimonial and documentary evidence, that we are the group who really and actually own the corporation forest licensee and not the group represented by Mateo A. Esparrago, Jr.

"However, it is deplorable that these impostors are still raking huge pecuniary benefits from their illegal and fraudulent operations apparently because your Ministry and Regional Director (Reg. XI) are not yet fully aware of the actual circumstances and the development re the status of the true stockholders of said corporation before the Securities & Exchange Commission. As of the latest, your records will show that they have felled and sold in the local market 2,000 cubic meters of choice logs.

"In view of the foregoing, earnest request is hereby made upon your Ministry to send urgently a directive to your Regional Director (Reg. XI) and officers in the area order that the Esparrago group and his men inside the forest area immediately stop any and all operations until further orders from your Ministry. A copy of this communication is being furnished the Hon. Director of the Bureau of Forest Development for his information and guidance.

"Very truly yours,

(SGD) "JAMES A. STRONG

President"

Petitioner's counsel followed this up with another letter:

"23 November 1981

"The Honorable
Teodoro Q. Peña
Ministry of Natural Resources
Diliman, Quezon City

"Re: Malalag Lumber Concession at Davao del Sur

"Dear Minister Peña:

"On behalf of our client, the genuine stockholders of Malalag Lumber Company, Inc., we respectfully request immediate action on their letter dated 18 November 1981 (Annex "A" hereof) regarding the illegal operations being conducted by the Esparrago Group in the Malalag Lumber concession area at Davao del Sur.

"According to our client, the Esparrago Group was able to operate in the said area upon their representations that they are the new stockholders of the Malalag Lumber Co., Inc. when in truth and in fact they are not. They, therefore brought this matter up with the CIS, who are presently conducting investigations.

"Our client has informed us that Mrs. Laguitao and her husband, the alleged stock transferers of the Esparrago Group have in fact executed sworn statements before the CIS denying that they are transferers of certain shares of Malalag Lumber Co., Inc. and likewise denying that they allegedly transferred said shares of stock to the Esparrago Group (Annex "B" hereof). Our client likewise submitted on 24 September 1981 sworn statements to the effect that they, as original stockholders of the Company never transferred their share holdings to any Group.

"Our client was constrained to stop operations sometime in 1977 due to the peace and order situation in the said area. Taking advantage of this situation, the Esparrago Group misrepresented to the Bureau of Forest Development that they were the genuine stockholders of the Company, and since then have been operating the lumber concession in said area.

"Our clients' concern is that the Esparrago Group has been indiscriminately cutting logs in Balasiao, Kiblawan, Matanao of Davao del Sur and Columbio of Isulan, Sultan Kudarat and that unless action is taken by this Honorable Office, the area would be totally logged over thus rendering any decision on the matter moot and academic.

"We therefore respectfully request, on behalf of our clients the genuine stockholders of Malalag Lumber Co., Inc. that immediate action be taken against the said indiscriminate logging operations of the Esparrago Group. While this matter remains unresolved, we respectfully request that all the logs illegally cut in the above-mentioned four areas be impounded by this Honorable Office and that the Esparrago Group be ordered to account for any and all proceeds from said illegal logging operations.

"Very truly yours,

"ANGARA CONCEPCION REGALA & CRUZ

"BY: (SGD)

"RENATO L. CAYETA

It is evident from the foregoing that what the petitioner sought from the Ministry were these reliefs: (a) at the Esparrago group be stopped from conducting logging operations under the TLA granted by MNR to Malalag Lumber Co. for the reason, among others, that said group was cutting logs indiscriminately; (b) that the logs illegally cut be impounded; and (c) that the Esparrago group be ordered to account for the proceeds of its illegal logging operations.

Section 5 of Presidential Decree No. 705 (Revised Forestry Code of the Philippines) vests in the Bureau of Forest Development which is under the supervision and control of the Ministry of Natural Resources the following powers and functions:

"It shall be responsible for the protection, development, management, regeneration, and reforestation of forest lands; the regulation and supervision of the operation of licensees, lessees and permittees for the taking or use of forest products therefrom or the occupancy or use thereof; the implementation of multiple use and sustained yield management in forest lands; the protection, development and preservation of national parks, marine parks, game refuges and wildlife; the implementation of measures and programs to prevent kaingin and managed occupancy of forest and grazing lands; in collaboration with other bureaus, the effective, efficient and economic classification of lands of the public domain; and the enforcement of forestry, reforestation, parks, game and wildlife laws, rules and regulations." (Underscoring supplied)

The reliefs sought by petitioner in his letters to the Ministry simply invoke the exercise of the aforestated powers and functions. There is nothing in said letters that asks for a resolution of the issue of the ownership of the stocks of Malalag Lumber Co., Inc.

The function of prohibition is to prevent an unlawful exercise of jurisdiction. Respondent court erred when it overlooked that there was no such usurpation of jurisdiction and granted the petition for prohibition without regard to the injunction embodied in PD 605:

"Section 1. — No court of the Philippines shall have jurisdiction to issue any restraining order, preliminary injunction or preliminary mandatory injunction in any case involving or growing out of the issuance, approval or disapproval, revocation or suspension of, or any action whatsoever by the proper administrative official or body on concessions, licenses, permits, patents, or public grants of any kind in connection with the disposition, exploitation and/or development of the natural resources of the Philippines."

WHEREFORE, the petition is granted. The assailed order of respondent judge dated March 3, 1983 is set aside and the temporary restraining order issued by this Court on February 29, 1984 is made permanent. This decision is immediately executory.

SO ORDERED.

Teehankee, (Chairman), Relova, Gutierrez, Jr., De la Fuente, and Alampay, JJ., concur.

Melencio-Herrera, J., no part.

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