

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. SANDIGANBAYAN (SECOND DIVISION), WORKERS OF LIANGA BAY LOGGING CORPORATION, AND PHILIPPINE AGRI-BUSINESS CORPORATION, RESPONDENTS.

G.R. NO. 88537. April 17, 1990

Ponente: BIDIN, J.

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BIDIN, J.:

From the Resolutions of respondent Sandiganbayan dated November 9, 1988, November 11, 1988 and January 4, 1989 admitting the complaints-in-intervention filed by private respondents and denying petitioner's motion for reconsideration, respectively, petitioner comes before this Court praying for the issuance of a 1) writ of certiorari to declare as null and void aforesaid Resolutions; 2) writ of prohibition ordering respondent Sandiganbayan to cease and desist from proceeding with the complaints-in-intervention filed before it; and in the alternative, 3) to issue a writ of mandamus ordering respondent Sandiganbayan to dismiss the complaints-in-intervention filed by private respondents.

The facts are as follows:

On July 29, 1987, petitioner Republic of the Philippines, through the Presidential Commission on Good Government, filed a Complaint before respondent Sandiganbayan against the late Ferdinand E. Marcos, Imelda R. Marcos, Peter Sabido, Roberto S. Benedicto, Luis D. Yulo, Nicolas Dehesa, Jose R. Tengco, Jr., Rafael Sison, Cesar C. Zalamea, and Don M. Ferry for reconveyance, reversion, accounting, restitution and damages, docketed as Civil Case No. 0024. The complaint was amended/expanded on January 25, 1988.

Among the assets/properties sought to be recovered are the shares of stock in the Lianga Bay Logging Corporation and two (2) parcels of land located in Palawan known as the Yulo King Ranch.

On February 8, 1988, Workers of Lianga Bay Logging Corporation (Workers) filed a motion for Leave to Intervene and a Complaint for Intervention (Rollo, pp. 80, 83) claiming that they own 60% of the shares of Lianga Bay Logging Corporation, a juridical entity whose assets are sought to be recovered by petitioner in its favor.

Petitioner filed its Opposition to Motion for Leave to Intervene on the grounds that:

“(a) the Sandiganbayan lacks jurisdiction over the case;

“(b) the proposed intervenors have no direct, actual or material interest over the subject matter of the case;

“(c) the rights of the intervenors, if any, may be amply protected in a separate proceeding.” (Rollo, p. 7)

On September 12, 1988, Philippine Agri-Business Corporation (Agri-Business) also filed a Motion for Leave to Intervene and a Complaint-in-Intervention anchored on its claim of ownership over two (2) parcels of land under sequestration.

Petitioner filed its Opposition to the above Motion contending that:

“(a) the allowance of the intervention would constitute an infringement of the constitutional provision on State immunity from suit;

“(b) Intervenor has no legal interest in the matter in litigation;

“(c) the respondent court (Sandiganbayan) lacks jurisdiction over the action.” Rollo, p. 8).

Notwithstanding the opposition filed by petitioner, the two complaints-in-intervention were admitted by respondent Sandiganbayan in its resolutions dated November 9, 1988 and November 11, 1988. Hence, the instant petition.

Petitioner maintains that it cannot be sued without its consent; the cause of action of intervenors does not fall within the jurisdiction of the Sandiganbayan as expressly spelled out in PD 1606 and EO No. 14; intervenors have no legal interest in the matter in litigation; intervenors’ claims are cognizable not by respondent Sandiganbayan but by the regular courts (Rollo, pp. 5-6).

We find the petition devoid of merit.

The questioned Resolutions of respondent Sandiganbayan are squarely anchored on Rule 12, Section 2 which authorizes a court, in its discretion, to allow a person to intervene in action by filing a motion for intervention. Thus, a person may be permitted to intervene in an action pending trial. If he has legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both or when he is so situated as to be adversely affected by a distribution of property in the custody of the court. Intervention is “the admission by leave of court, of a person not an original party to pending legal proceedings, by which such party becomes a party thereto for the protection of some right or interest alleged by him to be affected by such proceedings.” (Garcia v. David, 67 Phil. 279 [1939]).

Petitioner, however, contends that private respondents have no legal, actual and direct interests over the property under sequestration. After a review of the records, We are constrained to disagree with petitioner. According to public respondent:

“Correlating movant’s (Intervenor Worker’s) allegations and averments with plaintiff’s ‘Specific Averments of Defendants’ Illegal Acts’ more particularly those hereinabove set forth (Par. 14, sub-pars. (c), (d) and (e). Expanded Complaint), it appears admitted by both parties that, indeed, 60% of the shares of Liangga belongs to the workers; that defendant Sabido had arrogated unto himself the rights to represent said workers; that defendant Dehesa, as trustee of the shares held by him for and in behalf of the Filipino workers in Liangga, together with defendant Sabido, had committed acts of depredation to the damage and prejudice of movants, involving millions of pesos, including their SSS contributions and accumulated employee’s retirement and insurance fund, and to which they are entitled by virtue of the Stock Sale Agreement.

“Premises considered, We fully agree with movant (intervenor) that inasmuch as Liangga is now undergoing sequestration proceedings, movant’s (Workers of Lianga Bay Logging Corporation) rights, which have long been deprived them, cannot be protected by the PCGG and the Office of the Solicitor General. Plaintiff’s (petitioner’s) own averments, par. 14, sub-pars. (c), (d) and (e) of the expanded Complaint clearly and positively confirms movant’s rights and interest in Liangga which constitute a direct and immediate, actual and material, legal interests, not one which is simply contingent and expectant (Rule 12, Section 2, Rules of Court).” (November 9, 1988 Resolution, p. 6; Rollo, p. 41; italics supplied).

As regards the factual and legal basis for allowance of respondent Agri-Business’ complaint-in-intervention. We quote with approval the following passages from the assailed resolution of respondent court:

“We find the posture of movant-intervenor (Philippine Agri-Business Corporation) to be impressed with merit, factually and legally. Quite impressive is the argument adduced in the ‘Reply’ to the effect that ‘(c) Movant-intervenor is the rightful owner and claims the parcels of land, which have been sequestered and are the subject of the instant suit. The instant action seeks the forfeiture or reconveyance of said sequestered properties in favor of the plaintiff. Clearly, there is a dispute among the various competing claimants, Peter Sabido, plaintiff and movant-intervenor - over the ownership of the sequestered properties. This is most efficiently resolved by having all the claimants litigate the issue in one proceeding rather than through piecemeal, multiple litigation.

“Significantly, oppositors have not denied movant-intervenor’s claim of rightful ownership over the land in question, a circumstance which is quite crucial since it would tend to indicate, one way or the other, whether the interest, which is referred to in Section 12, Section 2 of the Rules of Court and which would entitle movant herein to seek intervention, may be considered as direct, actual, material and immediate, not contingent, expectant or remote.

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“xxx Considering that the parcels of land in question are merely included in Annex “A” of the complaint as one of the corporate assets sequestered allegedly as among those illegally-acquired by defendant Sabido, then it would appear that it (movant-intervenor) has legal interest in the matters under litigation which would be adversely affected by an adjudication in the instant case. Whether or not the ownership of the parcels of land in question properly fall under the category of ‘ill-gotten’ wealth is subject to judicial cognizance, thus, any and all persons or entities who claim any right or interest therein should, in the higher interest of justice, be accorded all the opportunities to intervene and protect such rights or interests, thus avoiding multiplicity of suits and assisting the parties in obtaining just, speedy and inexpensive determination of every action and proceeding (Rule 1, Section 2, Rules of Court).” (November 11, 1988 Resolution, pp. 2-4; Rollo, pp. 46-48; *Italics supplied.*)

The presence of legal and direct interest in the matter in litigation, notwithstanding, the grant of intervention is subject to the sound discretion of the court having in mind the issue of “whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties and whether or not the intervenor’s rights may be fully protected in a separate proceeding” (*Balane v. de Guzman*, 20 SCRA 117 [1967]; *Gibson v. Revilla*, 92 SCRA 219 [1979]). It is settled jurisprudence, however, that the discretion of a court to allow intervention, once exercised, cannot be reviewed by certiorari nor controlled by mandamus save in instances where such discretion has been exercised in an arbitrary or capricious manner, none of which has been shown to exist in the case at bar.

Petitioner’s contention that the complaint-in-intervention cannot prosper because it is a suit against the State which has not given its consent to be sued is not correct.

Under the Rules authorizing intervention, the intervenor may unite with the plaintiff by filing a complaint in intervention; but where the intervenor unites with the defendant, intervention may be made in the form of an answer to the complaint. (Sec. 2 [c], Rule 12).

In the case at bar, private respondents intervened in the court below as plaintiffs an intervention by filing their respective complaint in intervention. The complaints-in-intervention do not seek money judgment from nor do they demand any affirmative performance by the State in its political capacity which would otherwise call for the application of immunity from suit (*Ruiz and Herrera v. Cabahug*, 102 Phil. 110 (1957), citing *State Mineral Lease Commission v. Lawrence*, 157 So. 897 [1934]). Herein intervenors merely seek the resolution of the issue of ownership over the sequestered properties, i.e., whether they pertain to petitioner, defendant Peter Sabido or to private respondents. The complaints in intervention are mere incidents of the main action which, as We shall

show later, necessarily fall under the Sandiganbayan's exclusive and original jurisdiction. By uniting with petitioner as plaintiffs, private respondents cannot be said to have filed a suit against the State without its consent. The same conclusion may be arrived at had private respondents chosen to file an answer in intervention, in effect resisting the claims of petitioner. The State, by filing an action against an individual, divests itself of its sovereign character thereby submitting itself open to any counterclaim (*Froilan v. Pan Oriental Shipping Co.*, 95 Phil. 905 [1954]). After descending to the level of an ordinary citizen, the State cannot unilaterally ascend back to its privileged position of non-suability behind the cloak of sovereign immunity in the face of a counter suit the origin of which the State itself initiated.

Finally, petitioner's contention that the claims of private respondents are cognizable not by respondent Sandiganbayan but by the regular courts cannot be sustained. The jurisdiction of Sandiganbayan in the recovery of "ill-gotten wealth" has already been decided by this Court in *Presidential Commission on Good Government v. Hon. Peña* (159 SCRA 556, G.R. No. 77663, April 12, 1988) wherein it was held that:

"xxx Under section 2 of the President's Executive Order No. 14, issued on May 17, 1986, all cases of the Commission regarding the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Ferdinand Marcos, Mrs. Imelda Romualdez Marcos, their Close Relatives, Subordinates, Business Associates, Dummies, Agents, or Nominees' whether civil or criminal, are lodged within the 'exclusive and original jurisdiction of the Sandiganbayan' and all incidents arising from, incidental to, or related to, such cases necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction, subject to review on certiorari exclusively by the Supreme Court."

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"xxx Executive Order No. 14, which defines the jurisdiction over cases involving the ill-gotten wealth of former President Marcos, his wife, Imelda, members of their immediate family, close relatives, subordinates, close and/or business associates, dummies, agents and nominees, specifically provides in section 2 that 'The Presidential Commission on Good Government shall file all such cases, whether civil or criminal, with the Sandiganbayan which shall have exclusive and original jurisdiction thereof.' Necessarily, those who wish to question or challenge the Commission's acts or orders in such cases must seek recourse in the same court, the Sandiganbayan, which is vested with exclusive and original jurisdiction. The Sandiganbayan's decisions and final orders are in turn subject to review on certiorari exclusively by this Court." (Underscoring supplied; the above-quoted ruling was reiterated in *Soriano v. Yuson*, 164 SCRA 226, G.R. No. L-74910, August 10, 1988 and accompanying cases).

Neither can the Court agree with petitioner's argument that the Sandiganbayan could very well be swamped with original (sic) actions in respect of every conceivable act or order of the PCGG if private respondents herein, as intervenors, were given sovereign consent to sue the Republic as it would most patently be against the public policy embedded in Executive Orders No. 1, 2, 14 and related issuances, namely, the urgent recovery of the ill-gotten assets with dispatch (Rollo, p. 19). For one thing, intervention is never an independent action, but is ancillary and supplemental to, the existing litigation (*Garcia v. David*, supra). More importantly, the Court has already explained the exclusivity of Sandiganbayan's jurisdiction on the recovery of "ill-gotten wealth" in *PCGG v. Hon. Peña* (supra), thus:

"The rationale of the exclusivity of such jurisdiction is readily understood. Given the magnitude of the past regime's 'organized pillage' and the ingenuity of the plunderers and pillagers with the assistance of the experts and best legal minds available in the market, it is a matter of sheer necessity to restrict access to the lower courts, which would have tied into knots and made impossible the commission's gigantic task of recovering the plundered wealth of the nation, xxx." (Italics supplied)

It is therefore indubitable that in view of the extra-ordinary nature of sequestration, parties who claim ownership

or interest in the subject matter of sequestration proceedings before the Sandiganbayan have no other recourse than intervention in the litigation before the Sandiganbayan, whose decision is subject to review on certiorari exclusively by this Court, for no other court or forum has jurisdiction over proceedings for the recovery of ill-gotten wealth.

ACCORDINGLY, the Court Resolved to DISMISS the instant petition for lack of merit.

SO ORDERED.

Fernan, C.J., Narvasa, Melencio-Herrera, Gutierrez, Jr., Cruz, Paras, Feliciano, Gancayco, Padilla, Cortes, Griño-Aquino, Medialdea, and Regalado, JJ., concur.
Sarmiento, J., on leave.

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