

**DOMINADOR R. AYTONA IN HIS PERSONAL CAPACITY AND AS
EXECUTOR OF THE ESTATE OF DECEASED DANIEL R. AGUINALDO,
PETITIONER, VS. CONRADO T. CALALANG, JOSE G. RICAFORT,
SALVADOR O. RI...**

G.R. Nos. 77274-75. June 20, 1988

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

The sole issue brought before us is whether or not the Regional Trial Court may issue a writ of injunction to enjoin intra-corporate acts executed within its territorial jurisdiction in violation of a writ of injunction issued by a foreign court. The instant petition seeks a review of the Court of Appeals' reversal of the trial court's affirmative ruling on the matter.

On August 15, 1985, petitioner Aytona, in his capacity as stockholder in Nationwide Development Corporation (NADECOR), a domestic corporation registered with the Securities and Exchange Commission (SEC), and as executor of the estate of Daniel R. Aguinaldo, another NADECOR stockholder, filed with the Regional Trial Court of Quezon City, (Branch 88) a petition for the issuance of a restraining order/injunction with damages docketed as Civil Case No. Q-45704, against respondents Conrado T. Calalang and other officers of NADECOR, Benguet Corporation and Sawyer-Adecor International, Incorporated, an American corporation. The basis of the petition was an order of preliminary injunction issued by the Superior Court of California which enjoined various named stockholders in NADECOR from voting a large stock of NADECOR shares owned by Sawyer-Adecor International, Inc. pending judicial determination of the ownership of 1.2 million shares of stock in Sawyer-Adecor, registered in the name of Daniel R. Aguinaldo.

On August 16, 1985, the trial court issued a restraining order, enjoining Calalang, et al., as well as Benguet Corporation (holder of a proxy of Sawyer shares), and Sawyer-Adecor, Inc. from voting the Sawyer shares, and Sawyer-Adecor, Inc. from voting the Sawyer shares in Nadecon at the stockholders' regular meeting scheduled on August 19, 1985, and at all other meetings for the duration of the order.

On August 19, 1985, the process server of the Regional Trial Court served copies of the restraining order and summons together with the petitions to private respondents as shown in the return of service, dated August 21, 1985. Sawyer-Adecor was sought to be

served through its President, Ms. Carol Garvic, during her attendance at the stockholders' meeting of NADECOR wherein Sawyer-Adecor owns some shares. Ms. Garvic refused to accept the summons and restraining order on the ground of improper service.

Because of the restraining order issued by the court a quo, the stockholders of NADECOR, including Sawyer-Adecor were compelled to adjourn the stockholders' meeting until the matter of the restraining order could be resolved.

On September 3, 1985, Calalang, et al. filed a motion to dismiss Civil Case No. Q-45704 upon the following grounds: (1) lack of jurisdiction over the subject matter and nature of the action; (2) non-enforceability of the foreign order of injunction and therefore a failure to state a cause of action; and (3) failure of Aytona's counsel to indicate his official IBP number.

On the same date, Sawyer-Adecor filed a special appearance with motion to dismiss alleging that the court a quo did not acquire jurisdiction over its person considering that it is not doing business in the Philippines.

On November 8, 1985, Calalang, et al. received a copy of an order, dated October 25, 1985 denying their motion to dismiss upon a finding that there is no intra-corporate dispute in NADECOR and that the power of the Philippine courts to enforce foreign judgments necessarily carries with it the power to issue writs to enforce interlocutory orders of foreign courts to preserve such judgments.

Calalang, et al. challenged the validity of the orders of the court a quo before the Court of Appeals in a petition for certiorari and prohibition filed on December 16, 1985 docketed as CA-G.R. SP No. 07943.

On January 30, 1986, respondent Sawyer filed a petition for certiorari and prohibition before the appellate court docketed as CA-G.R. SP No. 08421. Upon motion of the petitioners, this case was consolidated with CA-G.R. SP No. 07943.

On November 28, 1986, the Court of Appeals rendered its decision annulling and setting aside the order dated October 25, 1985 and the writ of preliminary injunction dated November 5, 1985 of the Regional Trial Court of Quezon City.

On December 9, 1986, the petitioners filed their motion for reconsideration of the November 28, 1986 decision of the Court of Appeals.

In a resolution dated January 23, 1987, the Court of Appeals denied the petitioner's motion for reconsideration of its decision. Hence, this petition.

Considering that the present suit is one brought by stockholders of Sawyer-Adecor International, Inc. and Nationwide Development Corporation (NADECOR), Aytona and the estate of Aguinaldo, against other shareholders and officers of Sawyer and NADECOR, to enjoin the latter from exercising their voting rights in NADECOR; that the suit by and between the stockholders of a corporation is, by definition of law, an intra-corporate dispute (Section 5b, Presidential Decree No. 902-A, as amended by PD Nos. 1653, 1758 and 1799, March 11, 1976); that disputes or "Controversies arising out of intra-corporate x x x relations, between and among stockholders" fall within the original and exclusive jurisdiction of the Securities and Exchange Commission, as provided by Presidential Decree No. 902-A, as amended, supra; the Regional Trial Court, at the very outset had no jurisdiction over the subject matter of Civil Case No. Q-45704 and consequently, had no authority to take cognizance of the same (see *Union Glass Container Corporation v. SEC*, 126 SCRA 31; *Dionisio v. CFI of South Cotabato, Branch III*, 124 SCRA 222; *Rivera v. Florendo*, 144 SCRA 643), much less to issue a writ of injunction therein. And as discussed by the Court of Appeals, there is, as yet, no foreign judgment to enforce in the Philippines.

WHEREFORE, in view of the foregoing, the petition is hereby DISMISSED. The decision of the appellate court, annulling and setting aside the order dated October 25, 1985 and the writ of preliminary injunction dated November 5, 1985 issued by the Regional Trial Court of Quezon City, Branch 88 in Civil Case No. Q-45704 is AFFIRMED.

SO ORDERED.

Fernan (Chairman), Bidin, and Cortes, JJ., concur.

Feliciano, J., took no part.

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