

Republic of the Philippines Supreme Court

THIRD DIVISION

PETER RICO F. RODRIGUEZ,

G.R. No. 256648

Petitioner,

Present:

-versus-

CAGUIOA, *J.*, *Chairperson*, INTING, GAERLAN, DIMAAMPAO, and SINGH, *JJ*.

GREGORIO PASTORFIDE, RAMONA MATIBAG, CECIL L. MONTEBLANCO, and ROLAND AGUSTIN ANGELES, in their purported capacities as Members of the Board of Directors of Medical Plaza Makati Condominium Corporation,

Promulgated:

FEB 2 4 2025

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Respondents.

DECISION

SINGH, J.:

Before the Court is a Petition for Review on *Certiorari*¹ (**Petition**) under Rule 45 of the Rules of Court filed by petitioner Peter Rico F. Rodriguez (**Rodriguez**) against respondents Gregorio Pastorfide (**Pastorfide**), Ramona Matibag (**Matibag**), Cecil L. Monteblanco (**Monteblanco**), and Roland Agustin Angeles (**Angeles**) (collectively, **Pastorfide**, et al.).

The Petition assails the Court of Appeals (**CA**) Decision,² dated November 16, 2020, and its Resolution,³ dated May 31, 2021, in CA-G.R. SP Nos. 161687 and 163119, which reversed the Decision,⁴ dated October 18,

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¹ Rollo, pp. 3–13.

² Id. at 20-44. Penned by Associate Justice Apolinario D. Bruselas, Jr. and concurred in by Associate Justices Marie Christine Azcarraga-Jacob and Florencio M. Mamauag, Jr. of the Special Seventh Division, Court of Appeals, Manila.

Jd. at 46-51. Penned by Associate Justice Apolinario D. Bruselas, Jr. and concurred in by Associate Justices Marie Christine Azcarraga-Jacob and Florencio M. Mamauag, Jr. of the Former Special Seventh Division, Court of Appeals, Manila.

⁴ *Id.* at 14–18. Penned by Presiding Judge Andres Bartolome Soriano.

2019, of Branch 148, Regional Trial Court, Makati City (**RTC**), in Case No. R-MKT-18-04675-CV. The RTC declared the election of Pastorfide, et al. as members of the Board of Directors of Medical Plaza Makati Condominium Corporation (**MPMCC**) null and void. The CA Resolution denied Rodriguez's Motion for Reconsideration in the same case.

The Facts

On October 16, 2018, MPMCC conducted its 20th Annual General Membership Meeting, which included the election of the members of its Board of Directors in its agenda.⁵ Pastorfide presided over the meeting as Chairman and announced the official list consisting of seven candidates. The official list included Pastorfide himself, as well as Monteblanco, Matibag, and Angeles.⁶

Following the announcement of the official list of candidates, objections were raised regarding the qualification of Pastorfide, et al. to sit on MPMCC's Board, since the entity's By-Laws require membership in the corporation as a requirement for directors.⁷ The same By-Laws provide that only registered owners of condominium units of Medical Plaza Makati Condominium (**MPMC**) may be considered members of the corporation.⁸

It was later confirmed that Pastorfide, et al. merely represented member-corporations that owned condominium units in MPMC, and that they were not, by themselves, registered owners of the units that they represented.⁹

Specifically, Pastorfide, Monteblanco, and Angeles were representatives of member-corporation Pastorfide Land Corporation, while Matibag represented member-corporation Maxicare Health Corporation.¹⁰ The member-corporations were members of MPMCC in good standing, having no delinquencies in their dues and assessments.¹¹

Pastorfide, et al., however, insisted on their qualification to be elected to the Board because they are listed as authorized representatives of the corporate unit owners of MPMCC.¹²

In the meantime, the head of the Election Committee pointed out that since there were only seven candidates for seven available seats on the Board

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⁵ *Id.* at 15.

⁶ *Id*.

⁷ *Id.* at 22.

⁸ *Id.* at 15.

e Id.

¹⁰ *Id*

¹¹ *Id.* at 40.

¹² *Id.* at 22.

of Directors, there was no longer a need to conduct an actual election. Thus, he instead declared all the official candidates, including Pastorfide, et al., as members of MPMCC's Board of Directors for the ensuing year.¹³

Aggrieved with Pastorfide, et al.'s election as members of MPMCC's Board, Rodriguez, a member of MPMCC and a unit owner in MPMC, filed a Complaint for Election Contest and Damages against respondents before the RTC on October 30, 2018.¹⁴

On January 4, 2019, Pastorfide, et al. filed a Special Appearance with Ex-Parte Motion for Time to File Responsive Pleading.¹⁵ The RTC granted their motion and gave them until January 19, 2019 to file their responsive pleading to Rodriguez's Complaint.¹⁶

Instead of filing their response, on January 18, 2019, Pastorfide, et al. prayed for additional time in a second Motion for Time to File Responsive Pleading.¹⁷ On the same day, Rodriguez moved to declare Pastorfide, et al. in default, arguing that an *ex-parte* motion for time was a prohibited pleading under the Interim Rules of Procedure for Intra-Corporate Controversies.¹⁸

On January 21, 2019, the RTC granted Pastorfide, et al.'s second motion for time. Pastorfide, et al. filed their Answer *Ad Cautelam* (with affirmative defenses) on January 31, 2019.¹⁹

Before filing his Reply to Pastorfide, et al.'s Answer, Rodriguez filed a Manifestation on February 20, 2019, arguing that his Motion to Declare Defendants in Default should be resolved by the RTC first.²⁰

Pastorfide, et al. filed a Counter-Manifestation on March 1, 2019, arguing that Rodriguez's Motion should not be granted since: (1) Rodriguez failed to comply with the three-day notice rule under Rule 15, Section 4 of the Rules of Court; (2) the Motion has been rendered moot by the filing of Pastorfide, et al.'s Answer; and (3) the Motion was not verified.²¹

The Ruling of the RTC

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¹³ *Id*.

¹⁴ *Id.* at 4.

¹⁵ Id. at 23.

¹⁶ *Id*.

¹⁷ Id

¹⁸ *Id.*

¹⁹ *Id*.

²⁰ *Id.* at 24.

²¹ Id

On March 27, 2019, the RTC issued an Order granting Rodriguez's Motion to declare Pastorfide, et al. in default; setting aside Pastorfide, et al.'s second motion for time; and considering Pastorfide, et al.'s Answer as not filed.²²

Pastorfide, et al. filed a Motion to set aside order of default on April 25, 2019, arguing that the RTC did not acquire jurisdiction over their persons, that they have a valid and meritorious defense, and that Rodriguez's Complaint failed to state a cause of action. The RTC, however, denied Pastorfide, et al.'s motion in an Order, dated June 10, 2019.²³

Thus, Pastorfide, et al. filed a Petition for *Certiorari* under Rule 65 of the Rules of Court before the CA seeking the reversal of the RTC's Orders, dated March 27, 2019 and June 10, 2019. The case was docketed as CA-G.R. SP No. 161687. Pastorfide, et al. also prayed for the urgent issuance of a writ of preliminary injunction and/or a temporary restraining order by the CA, but the appellate court refused to issue either.²⁴

With the CA's refusal to restrain the proceedings before the RTC, the RTC issued a Decision on October 18, 2019 declaring the election of the members of MPMCC's Board of Directors held on October 16, 2018 null and void:

WHEREFORE, premises considered, the [e]lection of defendants Gregorio Pastorfide, Ramona Matibag, Cecil L. Montebla[n]co[,] and Roland Agustin Angeles as members of the Board of Directors of MPMCC last O[c]tober 16, 2019 is NULL and VOID.

Nonetheless, the prayer for attorney's fees as damages is DENIED for lack of merit.

Defendants however are directed to pay the costs of suit.

SO ORDERED[.]²⁵ (Emphasis in the original)

Citing *Lim v. Moldex Land, Inc.*, ²⁶ the RTC held that while MPMCC's By-Laws allow for representation where such representatives may be considered members, this does not mean that they may also be elected as directors if they are not members in their own right. ²⁷

Disagreeing with the RTC's nullification of their election, Pastorfide, et al. filed a Petition for Review before the CA challenging its Decision, dated

²⁷ *Rollo*, p. 16.

²² Id..

²³ *Id.* at 24–25.

²⁴ *Id*.

²⁵ Id at 18

²⁶ 804 Phil. 341 (2017) [Per J. Mendoza, Second Division].

October 18, 2019. The case was docketed as CA-G.R. SP No. 163119 and was consolidated with CA-G.R. SP No. 161687.

The Ruling of the CA

In its Decision, dated November 16, 2020, the CA denied Pastorfide, et al.'s Petition for Certiorari, but granted their Petition for Review. Accordingly, the CA reversed the RTC Decision declaring the election of respondents as null and void:

WHEREFORE, the petition for *certiorari* is **DISMISSED**, but the petition for review is **GRANTED**.

The respondent RTC's decision of [October 18, 2019] is accordingly **SET ASIDE**. Consequently, the *Complaint re: Election Contest* below is DISMISSED.

IT IS SO ORDERED.²⁸ (Emphasis in the original)

In ultimately dismissing Rodriguez's Complaint, the CA pointed out that the RTC incorrectly relied on *Lim* because that case pertains to proxies authorized by a corporation. The CA held that Lim is not on all fours with Pastorfide, et al.'s predicament, since the latter are designated, authorized representatives, and not mere proxies.²⁹

On the issue of personal jurisdiction, the CA held that the RTC was able to obtain jurisdiction over the persons of Pastorfide, et al. by reason of their voluntary appearance. According to the CA, Pastorfide, et al.'s filing of two motions for time to file an Answer without any express reservation challenging the jurisdiction of the court over their persons amounted to an implied voluntary submission to the RTC's jurisdiction.³⁰

On May 31, 2021, the CA issued a Resolution³¹ denying Rodriguez's Motion for Reconsideration after finding no reason to reverse or modify its earlier ruling.

The Issue

Did the CA err in ultimately dismissing Rodriguez's Complaint for election contest?

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²⁸ *Id.* at 43.

²⁹ *Id.* at 41–42.

³⁰ *Id.* at 27–28.

³¹ *Id.* at 46–51.

The Ruling of the Court

As a preliminary matter, the Court notes that the issue regarding the membership of the respondents in MPMCC's Board may have been mooted by subsequent Board elections, considering that they were elected in 2018 during MPMCC's 20th Annual General Membership Meeting. In *Legaspi Towers 300, Inc. v. Muer*,³² the Court ruled that the election of a new set of directors would render a petition seeking to nullify a previous election moot and academic as the nullification sought would be of little or no practical and legal purpose.³³

Nevertheless, the Court may proceed to resolve an otherwise moot case when, among others, it is capable of repetition, yet evading review. For this exception to apply, two elements must be present: (1) the challenged action was in its duration too short to be fully litigated prior to its cessation or expiration, and (2) there was a reasonable expectation that the same complaining party would be subjected to the same action again.³⁴ The Court believes that the two elements obtain in this case.

Thus, the Court will proceed to rule on the present case on its merits, despite its possible mootness.

Stripped to its core, the essential legal question presented for resolution before this Court is whether a duly authorized representative of a corporation, which is a member of a condominium corporation, could sit in the board of such member-corporation despite not being a unit-owner in his or her own right.

The RTC answered the question in the negative, citing *Lim*. On the other hand, the CA ruled that *Lim* was misapplied by the RTC.

The Court agrees with the CA. Contrary to the RTC's reasoning, *Lim* does not squarely apply to this case. Further, to rule otherwise would result in an absurd situation where a member-corporation would not be able to exercise one of its essential rights as a member of a condominium corporation.

Pastorfide, et al. are authorized to sit on the board on behalf of the member-

⁶⁸⁸ Phil. 104 [Per J. Peralta, Third Division].

³³ *Id.* at 121.

Presidential Commission on Good Government v. Cojuangco, Jr., G.R. Nos. 215527–28, March 22, 2023 [Per J. Zalameda, First Division] at 12. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

corporations on the basis of MPMCC's By-Laws

Citing *Lim*, the RTC concluded that Pastorfide, et al. should not have been elected or chosen as members of the Board of Directors of MPMCC since they are not members in their own right—that is, they do not own units in MPMC and their names do not appear as members of MPMCC in good standing.

The Court is not persuaded.

In *Lim*, the Court affirmed the right of the respondent therein, Moldex Land, Inc., to appoint representatives in order to exercise its membership rights and privileges in the condominium corporation. Nevertheless, the Court ruled that, unless such representatives are also members of the condominium corporation in their own right, they may not be elected as directors and officers thereof:

The governance and management of corporate affairs in a corporation lies with its board of directors in case of stock corporations, or board of trustees in case of non-stock corporations. As the board exercises all corporate powers and authority expressly vested upon it by law and by the corporations' by-laws, there are minimum requirements set in order to be a director or trustee, one of which is ownership of a share in one's name or membership in a non-stock corporation. Section 23 of the Corporation Code provides:

Section 23. The Board of Directors or Trustees. - Unless otherwise provided in this Code, the corporate powers of all corporations formed under this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors or trustees to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation, who shall hold office for one [] year until their successors are elected and qualified.

Every director must own at least one [] share of the capital stock of the corporation of which he is a director, which share shall stand in his name on the books of the corporation. Any director who ceases to be the owner of at least one [] share of the capital stock of the corporation of which he is a director shall thereby cease to be a director. Trustees of non-stock corporations must be members thereof. A majority of the directors or trustees of all corporations organized under this Code must be residents of the Philippines. (Emphasis supplied)

This rule was reiterated in Section 92 of the Corporation Code, which states:

Section 92. Election and term of trustees. –

. . .

No person shall be elected as trustee unless he is a member of the corporation.

While Moldex may rightfully designate proxies or representatives, the latter, however, cannot be elected as directors or trustees of Condocor. First, the Corporation Code clearly provides that a director or trustee must be a member of record of the corporation. Further, the power of the proxy is merely to vote. If said proxy is not a member in his own right, he cannot be elected as a director or proxy.³⁵ (Emphasis in the original)

Thus, it is clear that the basis of the ruling in *Lim* is the requirement under the Corporation Code that a trustee of a non-stock corporation must be a member thereof.

In contrast, in this case, Pastorfide, et al. are *designated authorized* representatives of the corporation according to MPMCC's By-Laws:

We need to point out that the participation of [Pastorfide, et al.] is not limited to being mere proxies of their respective corporations. [Pastorfide, et al.] are designated, authorized representatives of corporations who are owners of units in the MPMC and are therefore authorized to represent the corporations in the exercise of all the rights of a condominium owner, one of which is to be voted for and sit as members of the BOD. Since the corporations represented by [Pastorfide, et al.] are in the list of members in good standing, therefore, as authorized representatives thereof, [Pastorfide, et al.] are qualified to be elected as members of the board in accordance with the By-Laws of MPMCC.³⁶

In relation thereto, Section 4 of MPMCC's By-Laws details the authority of the representatives of member-corporations such that their authority extends to all purposes in *all matters related to the corporation*:

Section 4. Representation – In cases where a unit is owned in common by two or more persons, they shall determine [one] from among themselves, who shall represent them in the corporation. Except for the purpose of liquidation in case of dissolution, the representative shall be considered as a member representing the unit for all purposes, in all matters related to the corporation, including service of notice of assessments and meetings, grants of proxies, voting on any matter, and the like. In cases of corporation, trust, or partnership, its authorized officers shall designate who should represent it in the corporation. In all the foregoing instances, the person duly designated as representative must be registered with the

³⁶ *Rollo*, p. 42.

³⁵ Lim v. Moldex Land, Inc., 804 Phil. 341, 362–363 (2017) [Per J. Mendoza, Second Division].

corporation by filing a written designation with the Secretary of the corporation.³⁷ (Emphasis supplied)

Clearly, under Section 4 of MPMCC's By-Laws, voting on any matter is only one of the powers that a representative can do on behalf of the principal member-corporation. In fact, MPMCC's By-Laws even includes a separate provision for proxies,³⁸ emphasizing the fact that a member can appoint both a proxy with limited authority to vote and a representative whose authority extends to all matters related to the corporation, including voting.

As such, it is clear that this Court's pronouncement in *Lim* is not on all fours with the factual milieu in the present case.

The corporation is deemed the actual member sitting on the board, with their representatives merely acting on their behalf

Rodriguez argues that Pastorfide, et al. cannot be elected as members of MPMCC's board because they are not unit-owners in their own right. Citing the The Condominium Act, the Revised Corporation Code and MPMCC's By-Laws, Rodriguez concludes that only unit-owners in their own right can be elected to MPMCC's Board of Directors.³⁹

The Court disagrees.

Rodriguez does not dispute that the member-corporations represented by Pastorfide, et al. are *bona fide* members of MPMCC and own condominium units in MPMC. Thus, these member-corporations, like all other members of the corporation, have the right to be elected to MPMCC's Board pursuant to its By-Laws:

Section 13. Composition, Election and Term of Office. The Corporation shall be governed and its affairs, businesses and properties managed and controlled by a Board of Directors/Trustees composed of [seven] members elected by and from among the members of the corporation who are not delinquent in their dues and assessments[.]⁴⁰ (Emphasis supplied)

Being juridical persons, these member-corporations can only act through natural persons duly authorized for the purpose.⁴¹ As discussed

³⁷ *Id.* at 38–39.

³⁸ *Id.* at 87.

³⁹ *Id.* at 7–10.

⁴⁰ *Id*, at 39.

Sps. Lim v. Court of Appeals, et al., 702 Phil. 634, 641 (2013) [Per J. Brion, Second Division].

above, the By-Laws of MPMCC allow its member-corporations to appoint representatives, who are separate and distinct from proxies empowered only to vote.

Therefore, by authorizing Pastorfide, et al. to sit on the Board on its behalf, the member-corporations are merely exercising their right to be nominated and elected in MPMCC's Board as members in good standing of the corporation. The member-corporations are themselves *deemed to be the actual members sitting on the board of MPMCC*, with their representatives merely acting on their behalf.

To argue that Pastorfide, et al. must be unit-owners in their own right in order to be qualified to sit on MPMCC's Board is erroneous, since they are not the members themselves, but the member-corporation whom they represent.

It is obvious that only natural persons may be elected to the Board, since the duties and obligations of board members can only be performed by natural persons. Thus, if the corporation is a member of MPMCC, and it wants to be elected to the Board, then it necessarily has to appoint a natural person to act on its behalf as its representative.

However, it must be emphasized that the member-corporation may appoint *only one natural person* to act as its representative for purposes of election to the Board. Otherwise, the member-corporation will be occupying more than one seat in the Board, and possibly, more than one position as an officer of the Board. Such situation may result in a biased and unfair power dynamics in the Board, which can be detrimental to the interests of the corporation.

To adopt the interpretation espoused by Rodriguez would result in an absurd situation where member-corporations are deprived of their essential ownership right to participate in the management of the corporation⁴² by being nominated and elected in MPMCC's Board. Surely, the By-Laws of the MPMCC does not intend to strip a member of one of the most important rights of membership by the mere fact that the member is a juridical person and not a natural person. This would result in baseless discrimination.

Thus, the Court finds that the CA did not err in ultimately dismissing Rodriguez's Complaint.

ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Decision, dated November 16, 2020, and the Resolution, dated May 31,

⁴² Castillo v. Balinghasay, 483 Phil. 470, 481 (2004) [Per J. Quisumbing, First Division].

2021, of the Court of Appeals in CA-G.R. SP Nos. 161687 and 163119, are AFFIRMED.

SO ORDERED.

MARIA FILOMENA D. SINGH

Associate Justice

WE CONCUR:

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

HENRY **B. INTING**

Associate Justice

SAMUEL H. GAERLAN

Associate Justice

R B. DIMAAMPAG Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALFŘEDO BENJAMIN S. CAGUIOA

Associate Justice Chairperson, Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

LEXAMORK G. GESMUNDO

Chief Justice