



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated **July 15, 2020** which reads as follows:

“G.R. No. 242374 (ESTHER CHUA TAN, petitioner, versus PNB LIFE INSURANCE CO. and REYNALDO A. MACLANG, respondents).- Before the Court is a petition for review on *certiorari*¹ (Petition) under Rule 45 of the Rules of Court assailing the Decision² dated June 26, 2018 and Resolution³ dated September 28, 2018, both of the Court of Appeals (CA) in CA-G.R. SP No. 151575.

The Petition is denied but nonetheless, the CA Decision is reversed and set aside.

The CA erred when it ruled that the case is not an intra-corporate dispute. It was the National Labor Relations Commission (NLRC) that acted correctly when it ruled that the complaint should be dismissed because jurisdiction was with the Regional Trial Court as the case involved an intra-corporate dispute.

As the Court ruled in *Wesleyan University-Philippines v. Maglaya, Sr.*⁴ (*Wesleyan*):

A corporate officer’s dismissal is always a corporate act, or an intra-corporate controversy which arises between a stockholder and a corporation, and the nature is not altered by the reason or wisdom with which the Board of Directors may have in taking such action. The issue of the alleged termination involving a

¹ *Rollo* (Vol. I), pp. 51-105, excluding Annexes.

² *Id.* at 107-141-A. Penned by Associate Justice Amy C. Lazaro-Javier (now a Member of the Court), with Associate Justices Fernanda Lampas Peralta and Pedro B. Corales concurring.

³ *Id.* at 143-144.

⁴ 803 Phil. 722 (2017). Rendered by the Second Division, penned by now Chief Justice Diosdado M. Peralta and concurred in by Associate Justices Antonio T. Carpio, Jose C. Mendoza, Marvic Mario Victor F. Leonen and Francis H. Jardeleza.

corporate officer, not a mere employee, is not a simple labor problem but a matter that comes within the area of corporate affairs and management and is a corporate controversy in contemplation of the Corporation Code.

The long-established rule is that the jurisdiction over a subject matter is conferred by law. Perforce, Section 5 (c) of PD 902-A, as amended by Subsection 5.2, Section 5 of Republic Act No. 8799, which provides that the regional trial courts exercise exclusive jurisdiction over all controversies in the election or appointment of directors, trustees, officers or managers of corporations, partnerships or associations, applies in the case at bar.

To emphasize, the determination of the rights of a corporate officer dismissed from his employment, as well as the corresponding liability of a corporation, if any, is an intra-corporate dispute subject to the jurisdiction of the regular courts.⁵

Here, following *Wesleyan*, and several other cases,⁶ the NLRC was correct in ruling that jurisdiction is not conferred by estoppel or agreement of the parties, but by law, following Republic Act No. 8799 in relation to Presidential Decree No. 902-A. It is the Regional Trial Courts that exercise exclusive jurisdiction over all controversies in the election or appointment of directors, trustees, officers or managers of corporations, partnerships or associations. Thus, since petitioner is questioning the validity of her dismissal as the President and CEO of respondent PNB Life Insurance Co., the determination of her rights and the corporation's liability arising from her dismissal is an intra-corporate dispute subject to the jurisdiction of the regular courts.


WHEREFORE, premises considered, the Petition is **DENIED**, nonetheless, the Court of Appeals' Decision dated June 26, 2018 and Resolution dated September 28, 2018 in CA-G.R. SP No. 151575 are **REVERSED** and **SET ASIDE**. The National Labor Relations Commission's Decision dated December 23, 2016 in NLRC LAC 09-002601-16; NLRC NCR Case No. 04-04942-16 is **REINSTATED**.

⁵ Id. at 740.

⁶ See *Tan v. Downtown Realty Investment, Inc.*, G.R. No. 201497, October 3, 2018 (Unsigned Resolution); *Ellao v. Batangas I Electric Cooperative, Inc.*, G.R. No. 209166, July 9, 2018; *Malcaba v. ProHealth Pharma Philippines, Inc.*, G.R. No. 209085, June 6, 2018, 864 SCRA 518; *Cacho v. Balagtas*, G.R. No. 202974, February 7, 2018, 855 SCRA 11; *Tabang v. National Labor Relations Commission*, 334 Phil. 424 (1997).

SO ORDERED.” PERALTA, C.J. and **LAZARO-JAVIER, J.**, no part; **PERLAS-BERNABE** and **LEONEN, JJ.**, designated additional Members per Raffle dated February 19, 2020

By authority of the Court:


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