



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

SPOUSES EUGENE L. LIM  
and CONSTANCIA LIM,

Petitioners,

G.R. No. 192615

Present:

- versus -

THE COURT OF APPEALS-  
Mindanao Station, HON.  
FLORENCIA D. SEALANA-  
ABBU, Presiding Judge of Branch  
20, Regional Trial Court of  
Cagayan de Oro City, and The  
BANK OF THE PHILIPPINE  
ISLANDS,

Respondents.

CARPIO, J., Chairperson,  
BRION,  
DEL CASTILLO,  
PEREZ, and  
PERLAS-BERNABE, JJ.

Promulgated:

JAN 30 2013 *H. W. Cabalag*

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DECISION

BRION, J.:

Before the Court is the petition for review on *certiorari*<sup>1</sup> by petitioners Spouses Eugene L. Lim and Constancia Lim (*petitioners*), filed under Rule 45 of the Rules of Court, to assail the February 26, 2010 decision<sup>2</sup> and the May 28, 2010 resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 03103-MIN.

*Facts*

On January 26, 1999, respondent Bank of the Philippine Islands (BPI) filed before the Regional Trial Court (RTC), Branch 20, Cagayan de Oro City, a complaint for collection of money with prayer for preliminary injunction against the petitioners. The verification and certification against forum-shopping attached to the complaint were signed by Francisco R. Ramos (*Ramos*), then BPI Assistant Vice-President and Mindanao Region Lending Head.

<sup>1</sup> *Rollo*, pp. 23-38.  
<sup>2</sup> *Id.* at 156-165.  
<sup>3</sup> *Id.* at 173-174.

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On April 22, 1999, the petitioners moved to dismiss BPI's complaint on the ground that there was a pending action for foreclosure proceedings before the RTC of Ozamis City, filed by BPI against *Philcompak*, a corporation where the petitioners are the majority stockholders. The RTC found that the present complaint and the pending action for foreclosure proceedings involved different causes of action; hence, the RTC denied the petitioners' motion to dismiss<sup>4</sup> and the subsequent motion for reconsideration.<sup>5</sup>

The petitioners also moved to consolidate the present complaint with the other cases pending before the RTC of Ozamis City, but the RTC (Cagayan de Oro City) denied their motion.<sup>6</sup> The court likewise denied the petitioners' subsequent motion for reconsideration.<sup>7</sup>

On May 26, 2008, the petitioners filed another motion to dismiss, this time, on the ground that there had been a fatal defect in the verification and certification against forum shopping attached to BPI's complaint. They argued that the verification and certification did not state or declare that Ramos was filing the subject complaint in a representative capacity or as an authorized officer of BPI; nor did it state that Ramos was authorized by BPI's Board of Directors to file the complaint through a board resolution made specifically for the purpose. BPI filed a comment<sup>8</sup> on the petitioners' second motion to dismiss.

Together with its comment, BPI submitted a copy of the Special Power of Attorney (*SPA*) signed and executed by Rosario Jurado-Benedicto (*Benedicto*), the Assistant Vice-President of BPI, granting Ramos the authority to represent the bank and sign the verification and certification against forum shopping on BPI's behalf. Also, it submitted a copy of the certified true copy of BPI's Corporate Secretary's Certificate showing that Benedicto was among those authorized by the bank's Executive Committee to grant and extend a *SPA* to other bank officers to appear in court in cases where BPI is the complainant or plaintiff. BPI contended that its submissions already constituted substantial compliance with the procedural rules and should be applied in this case to facilitate and effectuate the ends of substantial justice. BPI also contended that the petitioners, by raising the issue of Ramos' authority only in their May 26, 2008 motion to dismiss and after having already filed several motions in court, are now estopped from raising and are deemed to have waived this issue by reason of *laches*.

The RTC denied the petitioners' second motion to dismiss<sup>9</sup> and the subsequent motion for reconsideration.<sup>10</sup> The petitioners assailed these orders of denial in the petition for *certiorari*<sup>11</sup> they filed with the CA.

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<sup>4</sup> In an order dated August 18, 1999; *rollo*, p. 56.

<sup>5</sup> In an order dated December 6, 1999; *rollo*, p. 62.

<sup>6</sup> In an order dated July 17, 2000; *rollo*, p. 68.

<sup>7</sup> In an order dated March 26, 2001; *rollo*, p. 69.

<sup>8</sup> Dated July 11, 2008; *rollo*, pp. 76-80.

<sup>9</sup> In an order dated February 6, 2009; *rollo*, p. 108.

<sup>10</sup> In an order dated June 18, 2009; *rollo*, pp. 121-122.

<sup>11</sup> Under Rule 65 of the Rules of Court.

In a decision dated February 26, 2010,<sup>12</sup> the CA dismissed the petitioners' *certiorari* petition. The CA ruled that the SPA granting Ramos the authority to represent BPI and to sign the verification and certification against forum shopping and the certified true copy of BPI's Corporate Secretary's Certificate, although belatedly submitted, constituted substantial compliance with the requirements of the Rules of Court. The CA also took notice that in the banking industry, an Assistant Vice-President of a bank "occupies a sufficiently elevated position in the organization as to be presumed to know the requirements for validly signing the verification and certification (against forum shopping)."

The petitioners moved to reconsider the assailed decision but the CA denied their motion, hence, the filing of the present petition for review on *certiorari*<sup>13</sup> with this Court.

### ***Issues***

The issues to be resolved in this case are: (a) whether the CA gravely erred when it affirmed the RTC in not dismissing BPI's complaint against the petitioners due to the alleged lack of authority of Francisco R. Ramos to file the BPI complaint and sign its attached verification and certification against forum shopping; and (b) whether the Special Power of Attorney and Corporate Secretary's Certificate that BPI belatedly submitted constituted substantial compliance with the requirements under the rules on verification and certification.

### ***Ruling***

**We resolve to deny the present petition. The CA did not commit any reversible error in rendering its assailed decision and resolution.**

The denial of a motion to dismiss, as an interlocutory order, cannot be the subject of an appeal until a final judgment or order is rendered in the main case.<sup>14</sup> An aggrieved party, however, may assail an interlocutory order through a petition for *certiorari* but only when it is shown that the court acted without or in excess of jurisdiction or with grave abuse of discretion.<sup>15</sup>

The petitioners argue that the CA gravely erred in not finding that the RTC had committed grave abuse of discretion in denying their second motion to dismiss. They contend that the RTC lacked jurisdiction over BPI's complaint because Francisco R. Ramos, the bank officer who filed the complaint in BPI's behalf and who signed the verification and certification against forum shopping, did not have the authority to do so at the time the complaint was filed; and that, despite Ramos' lack of authority, the RTC still acted on BPI's complaint and erroneously held that Ramos was authorized by the bank as he "was one of those enumerated in the board resolution authorized to file the case." The CA affirmed the RTC in its assailed decision and resolution.

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<sup>12</sup> *Supra* note 2.

<sup>13</sup> Dated August 5, 2010; *rollo*, pp. 23-38.

<sup>14</sup> *Santiago Land Development Co. v. Court of Appeals*, 328 Phil. 38, 44 (1996).

<sup>15</sup> *Lee v. People*, 441 Phil. 705, 714 (2002).

A closer look into the SPA and the Corporate Secretary's Certificate submitted by BPI reveals that, at the time the subject complaint was filed on January 26, 1999, Ramos did not have the express authority to file and sign the verification and certification against forum shopping attached to BPI's complaint. The SPA, which appointed Ramos and/or Atty. Mateo G. Delegencia as BPI's attorneys-in-fact in the case against the petitioners, was executed only on July 8, 2008. Even the Corporate Secretary's Certificate that named the officers authorized by the BPI's Executive Committee to grant and extend a SPA to other officers of the bank was executed only on February 21, 2007. The Executive Committee is part of the bank's permanent organization and, in between meetings of BPI's Board of Directors, possesses and exercises all the powers of the board in the management and direction of the bank's affairs.<sup>16</sup>

BPI's subsequent execution of the SPA, however, constituted a ratification of Ramos' unauthorized representation in the collection case filed against the petitioners. A corporation can act only through natural persons duly authorized for the purpose or by a specific act of its board of directors,<sup>17</sup> and can also ratify the unauthorized acts of its corporate officers.<sup>18</sup> The act of ratification is confirmation of what its agent or delegate has done without or with insufficient authority.<sup>19</sup>

In *PNCC Skyway Traffic Management and Security Division Workers Organization (PSTMSDWO) v. PNCC Skyway Corporation*,<sup>20</sup> we considered the subsequent execution of a board resolution authorizing the Union President to represent the union in a petition filed against PNCC Skyway Corporation as an act of ratification by the union that cured the defect in the petition's verification and certification against forum shopping. We held that "assuming that Mr. Soriano (PSTMSDWO's President) has no authority to file the petition on February 27, 2006, the passing on June 30, 2006 of a Board Resolution authorizing him to represent the union is deemed a ratification of his prior execution, on February 27, 2006, of the verification and certificate of non-forum shopping, thus curing any defects thereof."

In *Cagayan Valley Drug Corporation v. Commissioner of Internal Revenue*,<sup>21</sup> we likewise recognized that certain officials or employees of a company could sign the verification and certification without need of a board resolution, such as, but not limited to: the Chairperson of the Board of Directors, the President of a corporation, the General Manager or Acting General Manager, Personnel Officer, and an Employment Specialist in a

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<sup>16</sup> Rollo, p. 84.

<sup>17</sup> *Republic v. Coalbrine International Philippines, Inc.*, G.R. No. 161838, April 7, 2010, 617 SCRA 491, 498.

<sup>18</sup> The acts of an agent beyond the scope of his authority do not bind the principal unless the latter ratifies the same expressly or impliedly (see Arts. 1898 and 1910 of the Civil Code). See also *Safic Alcan & Cie v. Imperial Vegetable Oil. Co., Inc.*, G.R. No. 126751, March 28, 2001, 355 SCRA 559, 568.

<sup>19</sup> *Manila Memorial Park Cemetery, Inc. v. Linsangan*, G.R. No. 151319, November 22, 2004, 443 SCRA 377, 394.

<sup>20</sup> G.R. No. 171231, February 17, 2010, 613 SCRA 28, 40.

<sup>21</sup> G.R. No. 151413, February 13, 2008, 545 SCRA 10, 17-19.

labor case. For other corporate officials and employees, the determination of the sufficiency of their authority is done on a case-to-case basis.<sup>22</sup>

We note that, at the time the complaint against the petitioners was filed, Ramos also held the position of Assistant Vice-President for BPI Northern Mindanao and was then the highest official representing the bank in the Northern Mindanao area.<sup>23</sup> This position and his standing in the BPI hierarchy, to our mind, place him in a sufficiently high and authoritative position to verify the truthfulness and correctness of the allegations in the subject complaint, to justify his authority in filing the complaint and to sign the verification and certification against forum shopping. Whatever is lacking, from the strictly corporate point of view, was cured when BPI subsequently (although belatedly) issued the appropriate SPA.

In any case, it is settled that the requirements of verification and certification against forum shopping are not jurisdictional.<sup>24</sup> Verification is required to secure an assurance that the allegations in the petition have been made in good faith or are true and correct, and not merely speculative.<sup>25</sup> Non-compliance with the verification requirement does not necessarily render the pleading fatally defective,<sup>26</sup> and is substantially complied with when signed by one who has ample knowledge of the truth of the allegations in the complaint or petition, and when matters alleged in the petition have been made in good faith or are true and correct.<sup>27</sup> On the other hand, the certification against forum shopping is required based on the principle that a party-litigant should not be allowed to pursue simultaneous remedies in different *fora*.<sup>28</sup> While the certification requirement is obligatory, non-compliance or a defect in the certificate could be cured by its subsequent correction or submission under special circumstances or compelling reasons, or on the ground of “substantial compliance.”<sup>29</sup>

**WHEREFORE**, premises considered, we hereby **DENY** the present petition for review on *certiorari*. Costs against the petitioners.

**SO ORDERED.**

  
ARTURO D. BRION  
Associate Justice

<sup>22</sup> *Ibid.*

<sup>23</sup> *Rollo*, p. 194.

<sup>24</sup> See *Millennium Erectors Corporation v. Magallanes*, G.R. No. 184362, November 15, 2010, 634 SCRA 708, 713; *Heirs of Olarte v. Office of the President*, G.R. No. 165821, June 21, 2005, 460 SCRA 561, 566-567.

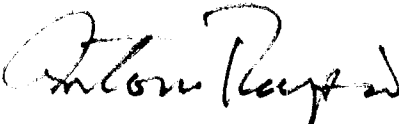

<sup>25</sup> *Robern Development Corporation v. Judge Quitain*, 373 Phil. 773, 786 (1999).

<sup>26</sup> *Uy v. Land Bank of the Philippines*, 391 Phil. 303, 312 (2000).

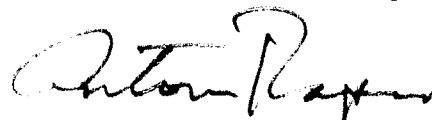
<sup>27</sup> *Oldarico S. Traveno v. Bobongon Banana Growers Multi-Purpose Cooperative*, G.R. No. 164205, September 3, 2009, 598 SCRA 27, 36.

<sup>28</sup> *People v. De Grano, et al.*, G.R. No. 167710, June 5, 2009, 588 SCRA 550, 563.


<sup>29</sup> *Ibid.*

**WE CONCUR:**  
**ANTONIO T. CARPIO**  
Associate Justice  
**MARIANO C. DEL CASTILLO**  
Associate Justice  
**JOSE PORTUGAL PEREZ**  
Associate Justice  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice**A T T E S T A T I O N**

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.

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson**C E R T I F I C A T I O N**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified 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.

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice