

## SECOND DIVISION

[ G.R. No. 192615, January 30, 2013 ]

**SPOUSES EUGENE L. LIM AND CONSTANCIA LIM, PETITIONERS,  
VS. 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.**

### 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 decisions<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.

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.

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.

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