



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated November 13, 2023, which reads as follows:

“G.R. No. 256470 [Formerly UDK-16880] (*Kazuo Okada vs. Tiger Resort, Leisure & Entertainment, Inc. et al.*). – Subject of this case is a Petition for Review on *Certiorari*¹ (Petition) under Rule 45 of the Rules of Court filed by petitioner Kazuo Okada (Kazuo), which seeks to annul the Decision² dated 24 September 2020 and Resolution³ dated 19 February 2021 of the Court of Appeals (CA) in CA G.R. SP No. 158730.

This also resolves the motions⁴ filed by respondents Tiger Resort, Leisure & Entertainment, Inc. (TRLEI) and Kenji Sugiyama (Sugiyama), seeking reconsideration of the *Status Quo Ante* Order (SQAQO) issued by this Court in the Resolution dated 27 April 2022.

Antecedents

TRLEI is a subsidiary of respondent Tiger Resort Asia Limited (TRAL), a Hong Kong corporation which owns 99.99% of TRLEI’s shareholdings. TRAL, in turn, is wholly owned by Universal Entertainment Corporation⁵

¹ *Rollo*, Vol. II, pp. 783-815. A Supplemental Petition was also filed by Kazuo.

² *Id.* at 819-829. Penned by Associate Justice Geraldine C. Fiel-Macaraig and concurred in by Associate Justices Danton Q. Bueser and Bonifacio S. Pascua.

³ *Id.* at 831-832.

⁴ TRLEI filed the Extremely Urgent Motion for Reconsideration (of the Status Quo Ante Order dated 27 April 2022) dated 02 May 2022 and the Urgent Omnibus Motion [Supplemental Motion for Reconsideration, Lift the Status Quo Ante Order and Show Cause] dated 13 May 2022, while Sugiyama filed the Motion for Reconsideration (of the Status Quo Ante Order dated 27 April 2022) dated 10 June 2022.

⁵ Formerly Universal Lease Co. Ltd., which changed its name to Aruze Corporation in 1998, and finally to UEC in

✓

(UEC), a publicly-listed company registered in the Tokyo Stock Exchange since 1998. Okada Holdings Limited (OHL), a Hong Kong company, owns 67.9% of the shares of UEC.⁶

Kazuo holds 46.40% of OHL's shareholdings. His children, Tomohiro Okada (Tomohiro) and Hiromi Okada (Hiromi), are the owners of 43.46% and 9.78% OHL shares respectively, which are allegedly only temporarily registered in their names.⁷ Meanwhile, TRLEI's General Information Sheet⁸ (GIS) as of May 2017 shows that Kazuo was a registered stockholder thereof, holding one (1) share.

Sometime in May 2017, Kazuo's son, Tomohiro, took control of the 9.78% OHL shares under the name of Kazuo's daughter, Hiromi, who executed a Share Management and Disposal Trust Agreement⁹ (Trust Agreement) in favor of Tomohiro. Combining this with his 43.4% shareholding, Tomohiro gained control over OHL, or 53.24% of OHL's shares.¹⁰

The shift in control over OHL cascaded to its subsidiaries, which led to the ouster of Kazuo as sole director of OHL, as chairperson and director of UEC, as director of TRAL, and ultimately as stockholder, director, chairperson, and Chief Executive Officer (CEO) of TRLEI. Makoto Takada (Takada) and Atsunobu Ishida (Ishida) were appointed as directors of OHL, while respondents Kenshi Asano (Asano) and Takako Okada (Takako) were appointed as directors of TRAL.¹¹

On 15 June 2017, Asano and Takako informed Kazuo that he was no longer a registered stockholder of TRLEI pursuant to TRAL's revocation of the Deed of Assignment with Declaration of Trust (TRAL Deed of Assignment) between him and TRAL, and enjoined him from attending any meetings of TRLEI's stockholders and directors.¹² Thereafter, Kazuo's stock certificate in TRLEI was cancelled, which was reflected in the stock and transfer book of TRLEI.¹³

In an Advisory,¹⁴ TRLEI notified the public that Kazuo was removed as director, chairperson, and CEO of TRLEI, and new directors were elected in a scheduled special stockholders' meeting on 16 June 2017. On the same day, an organizational meeting of the new board of directors of TRLEI was held, resulting in the election or appointment of respondent Manuel M. Lazaro (Lazaro)

2009.

⁶ *Rollo*, Vol. II, pp. 788-789.

⁷ *Id.* at 789.

⁸ *Id.* at 868-877.

⁹ *Id.* at 956-961.

¹⁰ *Id.* at 790.

¹¹ *Id.*

¹² *Id.* at 969.

¹³ *CA rollo* (G.R. SP No. 174770), Vol. XIII, pp. 4869-4873.

¹⁴ *Rollo*, Vol. II, p. 970.

as chairperson, and respondent Sugiyama as president, among others.¹⁵

On 9 August 2017, Hiromi executed a Power of Attorney¹⁶ in favor of Kazuo, authorizing the latter to exercise the former's rights as registered stockholder of OHL. Pursuant to the said Power of Attorney, Kazuo called a stockholders' meeting, appointing himself as director of OHL and removing Takada and Ishida as directors of OHL. Hiromi likewise executed a Statutory Declaration,¹⁷ declaring that the Trust Agreement was executed through fraud and revoking all documents she issued in favor of Tomohiro.

On 3 October 2017, Kazuo wrote a letter informing TRLEI that he regained the majority ownership and control of OHL and would re-assume control of OHL and its subsidiaries, UEC, TRAL, and TRLEI. However, respondents refused to heed Kazuo's demands.¹⁸

Thus, on 29 August 2018, Kazuo filed a Complaint¹⁹ for Declaration of Nullity of Removal as a Stockholder, Director, and Officer and Reinstatement as a Stockholder, Director and Officer (Complaint) before the Regional Trial Court of Parañaque City (RTC) against TRLEI and its directors, Lazaro, Sugiyama, Steven Wolstenholme (Wolstenholmes), Antonio O. Cojuangco (Cojuangco), Reynaldo G. David (David), Yoshinao Negishi, and TRAL and its directors, Asano and Takako.²⁰ He alleged that his removal as stockholder, director, chairperson, and CEO of TRLEI was void for being without authority and in violation of Section 28 of the Corporation Code.²¹ Kazuo prayed that judgment be rendered declaring as null and void *ab initio* his removal as stockholder, director, chairperson, and CEO of TRLEI, and reinstating him in said positions.²²

Summons were duly served to TRLEI and its directors, except for Sugiyama and Wolstenholmes. On the other hand, the summons to TRAL and its directors were returned unserved.²³

In their Answer,²⁴ TRLEI, Cojuangco, David, and Sugiyama argued, among others, that the Complaint was an election contest that has already prescribed. Lazaro essentially offered the same defense.²⁵

¹⁵ Id.

¹⁶ *Rollo*, Vol. I, pp. 198-219.

¹⁷ *Rollo*, Vol. I, pp. 168-174.

¹⁸ *Rollo*, Vol. II, p. 792.

¹⁹ *Rollo*, Vol. II, pp. 833-856.

²⁰ The case was docketed as Civil Case No. 2018-226.

²¹ *Rollo*, Vol. II, pp. 845-847, 849-851.

²² Id. at 852.

²³ Return of Service and Sheriff's Return dated 7 September 2018 (*Rollo*, Vol. II, pp. 1180-1181). The Sheriff's Return narrated that the summons for TRAL and its directors were served at Okada Manila, Parañaque City but the same were not received at the said address upon instruction of the legal department of TRLEI.

²⁴ Answer *Ad Cautelam* (with Compulsory Counterclaims) with Motion to Declare the Instant Case a Nuisance and Harassment Suit dated 17 September 2018 (*Rollo*, Vol. III, pp. 1211-1289).

²⁵ Answer (*Ad Cautelam*) dated 15 September 2018 (Id. at 1183-1210).

Kazuo countered that his Complaint was not an election contest because his unlawful ouster as a stockholder of TRLEI was integral to his subsequent void removal as a director, chairperson, and CEO thereof.²⁶

Through an Order²⁷ dated 16 November 2018, the RTC found that the Complaint was an election contest. Consequently, the Complaint was dismissed on the ground of prescription, having been filed more than a year after the 15-day period under A.M. No. 01-2-04-SC or the Interim Rules of Procedure for Intra-Corporate Controversies (Interim Rules).

Kazuo appealed before the CA. However, the CA denied the appeal in its Decision dated 24 September 2020. The CA likewise denied Kazuo's motion for reconsideration in its Resolution dated 19 February 2021.

Aggrieved, Kazuo elevated the case before this Court.²⁸ He maintains that the Complaint is not an election contest as he was assailing his illegal removal as a stockholder of TRLEI. This, in turn, is ultimately anchored on his claim of majority ownership of OHL. In further support of his claim, Kazuo cites two (2) pending cases before the Chiba District Court in Japan (Chiba cases) where he sought to be declared as the true legal and/or beneficial owner of the shares registered under the names of his children in OHL, which then translates to his beneficial ownership of 67.88% of TRLEI.²⁹ Kazuo likewise alleges mismanagement on the part of TRLEI's directors, citing the losses incurred by the corporation from the time they took over his functions in TRLEI in 2017,³⁰ as well as the impending dissipation of TRLEI's assets.³¹ Thus, Kazuo prayed for his reinstatement as stockholder, director, chairperson, and CEO of TRLEI as well as the restraint of the transfer of TRLEI's corporate assets and properties.³²

In its Resolution dated 27 April 2022, the Court issued an SQAQO and ordered respondents to file their comments to the Petition.

TRLEI moved for Reconsideration³³ of the Resolution dated 27 April 2022, raising procedural and substantive arguments. It argued, among others, that the SQAQO unduly interfered and improperly rendered nugatory the court decisions in Japan or Hong Kong, which allegedly have effectively ruled that Kazuo has no control over OHL, the ultimate parent company of TRLEI.³⁴

²⁶ *Rollo*, Vol. III, p. 1334.

²⁷ *Id.* at 1434-1439. Penned by Judge Noemi J. Balitan.

²⁸ *Rollo*, Vol. II, pp. 783-809 and Vol. IV, pp. 1526-1559.

²⁹ *Rollo*, Vol. IV, p. 1529, 1540.

³⁰ *Id.* at 1919.

³¹ TRLEI was allegedly planning to transfer the corporation's Casino Business Permit to Okada Manila International, Inc., which UEC intends to list as a public company in the United States through the use of a Special Purpose Acquisition Company. TRLEI's leasehold rights over the land on which Okada Manila is situated was likewise purported in danger of being waived or released. (*Id.* at 1530-1534).

³² *Rollo*, Vol. II, pp. 806-807, and Vol. IV, pp. 1554-1555.

³³ *Id.* at 33.

³⁴ Extremely Urgent Motion for Reconsideration (of the Status Quo Ante Order dated 27 April 2022) dated 02 May 2022. (*Rollo*, Vol. V, p. 1994).

Sugiyama likewise moved for reconsideration echoing TRLEI's arguments.³⁵

In its Resolution³⁶ dated 10 August 2022, the Court rejected the procedural issues raised by respondents and held that the SQAQO was properly issued in accordance with law and jurisprudence. As a matter of equity, the Court recognized Kazuo's limited right to protect his undisputed indirect beneficial interest over TRLEI, taking into consideration the alleged circumstances relating to TRLEI's financial condition and operations.³⁷

However, the Court conceded that there were factual issues that needed to be resolved for proper disposal of the case. Thus, the Court ordered the CA to conduct proceedings for the reception of evidence on the following matters: (i) propriety of maintaining the SQAQO in view of the alleged developments in TRLEI after Kazuo's ouster; (ii) the existence, authenticity, and accuracy of the translations of the alleged decisions of the Japanese and Hong Kong courts invoked by TRLEI; (iii) the existence of the Chiba cases, and the authenticity and accuracy of the translations of the complaints filed by Kazuo before the Chiba courts; (iv) relevant corporate documents of OHL, UEC, TRAL, TRLEI; and (v) any factual matters in determining the propriety of the trial court's dismissal of Kazuo's Complaint.³⁸

In its Comment³⁹ dated 19 May 2022 on the Petition, TRLEI posits that (i) the CA correctly ruled that Kazuo's Complaint was an election contest and his cause of action has already prescribed; and (ii) Kazuo's supplemental petition should be dismissed for non-compliance with the rules or denied for improperly raising factual matters, new issues, blatant falsehoods, and matters already resolved by foreign courts. Sugiyama echoes TRLEI's arguments, adding mootness and forum shopping as grounds for dismissal.⁴⁰

Meanwhile, the parties presented their respective witnesses and documentary evidence before the CA.⁴¹ Thereafter, the CA rendered its

³⁵ Motion for Reconsideration (of the Status Quo Ante Order dated 27 April 2022) dated 10 June 2022. (*Rollo*, Vol. VIII, pp. 3834-3922).

³⁶ Id. at 4145-4156.

³⁷ Id. at 4164.

³⁸ Id. at 4162-4163.

³⁹ Id. at 2675-2680.

⁴⁰ Id. at 2648-2649.

⁴¹ To testify on the TRLEI's financial condition and operations and the circumstances before and after Kazuo's removal, Kazuo presented the testimonies the following witnesses: (1) Michael Gilbert M. Gianzon, Assistant Vice President for Accounting and Corporate Finance of TRLEI as of 31 May 2022; and (2) Atty. Maximo Modesto Joel C. Flores, member of the 2 May 2022 Board of Directors of TRLEI and Assistant Corporate Secretary.

On the other hand, to prove the financial condition of TRLEI, the circumstances before and after Kazuo's removal, and to identify the corporate documents of the corporations, TRLEI presented three (3) witnesses: (1) Hans Van Der Sande, Chief Financial Officer and Treasurer of TRLEI since 2015 and 2017 to present; (2) Toji Takeuchi, Director of TRLEI since June 2017 and Head of Corporate Planning of UEC since February 2017, and (3) Atty. Michell Lazaro.

Sugiyama presented Cesar T. Subido, President and founder of Hachi International Phil., Inc., to testify

Report⁴² dated 24 October 2022 (CA Report) recommending that the SQAQO be made permanent to prevent any serious turnaround of the company's operations pending the resolution of the main issue.⁴³ It also submitted that the Complaint was not an election contest based on the allegations therein.⁴⁴ The CA likewise noted the submission by the parties of the duly authenticated and translated copies of the foreign judgments issued by the Japanese and Hong Kong courts, as well as the duly authenticated and translated copies of the Chiba complaints filed by Kazuo.⁴⁵

Issues

The main issues presented before this Court are (i) whether the CA erred in characterizing Kazuo's Complaint as an election contest and dismissing the same on the ground of prescription; and (ii) whether the SQAQO should be maintained.

Ruling of the Court

The Petition has no merit. The SQAQO must be lifted.

Kazuo's complaint is an election contest and therefore subject to the 15-day prescriptive period

Section 3, Rule 6 of the Interim Rules provides that a complaint in an election contest must be filed within 15 days from the date of the election.

Section 2 of the same rule defines an election contest as follows:

Section 2. *Definition.* – An election contest refers to **any controversy or dispute involving title or claim to any elective office in a stock or non-stock corporation**, the validation of proxies, **the manner and validity of elections**, and the qualifications of candidates, including the proclamation of winners, to the office of director, trustee or other officer directly elected by the stockholders in a close corporation or by members of a non-stock corporation where the articles of incorporation or by-laws

on the English translation of the decisions of the Japanese court and the pleadings filed in relation to the Chiba cases.

⁴² *Rollo*, Vol. VIII, pp. 4219-4232. Penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Louis P. Acosta and Jaime Fortunato A. Caringal.

⁴³ *Rollo*, Vol. X, pp. 4869-4884.

⁴⁴ *Id.* at 4897-4908.

⁴⁵ *Id.* at 4884-4887.

so provide. (Emphasis supplied)

The Court has interpreted this provision as “encompassing all plausible incidents arising from the election of corporate directors,” including any controversy or dispute involving title or claim to any elective office in a stock corporation.⁴⁶ An election contest “is determined only by the nature of the controversy or dispute involved, namely: (1) the title or claim to any elective office in a corporation; (2) the validation of proxies; (3) the manner and validity of elections; and (4) the qualifications of candidates, including the proclamation of winners, to the office of director, trustee or other officer in a corporation.”⁴⁷

Thus, in *Yujuico v. Quiambao*,⁴⁸ the Court held that the action therein involved an election contest considering that the relief sought in the complaint was to nullify the election of the board of directors and corporate officers held in an annual stockholders’ meeting (ASM). In *Kicafort v. Dicdican*,⁴⁹ the Court found that while the complaint therein sought to nullify an ASM, including all proceedings taken thereat, all the consequences, and all acts carried out pursuant thereto, the plaintiffs were clearly challenging the validity of the election of the new board of directors. The nullification of the ASM would have no practical effect, except to void the election of the new board. Moreover, the plaintiffs pointed out that they were unlawfully deprived of their right as stockholders to participate in the ASM due to late notice. Hence, the complaint involved an election contest.

In this case, Kazuo, in his Complaint, challenged as illegal his removal as shareholder, director, chairperson, and CEO of TRLEI. He argued that Asano and Takako had no authority to act on behalf of TRAL to remove him, and that he was not notified of the conduct of the improperly called special stockholders’ meeting where he was ousted and replaced as director, chairperson, and CEO. Kazuo prayed to nullify his removal and to reinstate him as shareholder, director, chairperson, and CEO of TRLEI.

The allegations and the reliefs sought in the Complaint clearly show that it is an action for election contest.

The nature of the controversy or dispute in the Complaint involves Kazuo’s title or claim to the elective offices of director, chairperson, and CEO of TRLEI. The Complaint also involves a controversy or dispute on the manner and validity of the elections held in the 16 June 2017 special stockholders’ meeting for the removal and the replacement of Kazuo as director, chairperson, and CEO. The reliefs prayed for by Kazuo effectively

⁴⁶ *Government Service Insurance System v. Court of Appeals*, 603 Phil. 676, 708 (2009) [Per J. Tinga, Second Division].

⁴⁷ *Eizmendi, Jr. v. Fernandez*, 866 Phil. 538, 654 (2019) [Per C.J. Peralta, Special Third Division].

⁴⁸ 542 Phil. 236 (2007) [Per J. Sandoval-Gutierrez, First Division].

⁴⁹ 783 Phil. 134 (2016) [Per J. Reyes, Third Division].

seek to invalidate the proceedings taken in the 16 June 2017 special stockholders' meeting. Ultimately, Kazuo was challenging the validity of the election of Lazaro and Sugiyama, who replaced him as TRLEI's chairman and president, respectively.

In insisting that his Complaint was not an election contest, Kazuo advanced the theory that the same is akin to an action for reconveyance of shares of stock since he also prayed for his reinstatement as a stockholder of TRLEI.

In his Complaint, Kazuo questioned his removal as shareholder, director, chairperson, and CEO of TRLEI for being without authority and in violation of Section 28⁵⁰ of the Corporation Code.⁵¹ To reiterate, Kazuo mainly assailed his ouster from TRLEI on the alleged lack of authority of Asano and Takako as directors of TRAL. He stated that “[u]nder Section 28 of the Corporation Code, only TRAL, which owns 99.99% of TRLEI, may remove [Kazuo] as shareholder and director of TRLEI.”⁵²

The Court is not convinced. The fact that Kazuo was also questioning his removal as a shareholder of TRLEI does not change the character of the Complaint as an election contest.

It is clear from the submissions of Kazuo that the purported illegality of his removal as stockholder is premised on the alleged lack of authority of Asano and Takako, as the new directors of TRAL, to revoke the TRAL Deed of Assignment – the source of Kazuo's one (1) qualifying share. Kazuo is, thus, essentially questioning Asano and Takako's election as directors of TRAL, claiming instead that he is the sole representative of TRAL due to his alleged majority ownership of OHL. Verily, such claim falls squarely under the definition of an election contest.

Thus, being an election contest, the Complaint is subject to the 15-day prescriptive period under Rule 6, Section 3 of the Interim Rules.

⁵⁰ **Section 28. Removal of directors or trustees.** – Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. [Now amended by Section 27 of Republic Act No. 11232].

⁵¹ *Rollo*, Vol. II, p. 851.

⁵² *Rollo*, Vol. II, p. 846.

The records show, however, that the Complaint was filed on 29 August 2018 or more than one (1) year after the conduct of the 16 June 2017 special stockholders' meeting where the elections for the removal and the replacement of Kazuo as director, chairperson, and CEO of TRLEI were held. Clearly, the Complaint was filed beyond the 15-day prescriptive period for election contests.

Consequently, the CA did not err in characterizing Kazuo's Complaint as an election contest in its Decision dated 24 September 2020. The CA properly affirmed the RTC's dismissal of the Complaint on the ground of prescription.

At this juncture, the Court observes that there is a finding in the CA Report that the Complaint should be treated as ordinary action to recover ownership of shares in TRLEI, not an election contest. However, such finding is based on the CA's appreciation of the allegations and reliefs prayed for in the Complaint, without taking into consideration the factual circumstances established by the evidence presented before it. Verily, the Court does not agree with such conclusion based on our own examination of the Complaint and the pieces of evidence presented by the parties. Further, as will be discussed below, Kazuo was properly removed as shareholder, director, chairperson, and CEO of TRLEI by TRAL.

Kazuo has no cause of action because he was merely a nominal shareholder in TRLEI, and he had no control over OHL and its subsidiaries

Even assuming that the Complaint may be treated as a case for reconveyance of shares of stocks, the dismissal of the Complaint is still warranted by the facts established pursuant to the CA's reception of evidence.

In an action for reconveyance, the parties must prove their ownership over the property. They must present evidence to support their claims. Based on the evidence presented, the court must decide who between the parties is the true owner.⁵³

In this case, it was established that the one (1) share registered under the name of Kazuo reflected in TRLEI's GIS as of May 2017 was merely a nominal share under the TRAL Deed of Assignment. The TRAL Deed of Assignment, however, had been revoked by TRAL in June 2017.⁵⁴ Kazuo's

⁵³ *Spouses Aboltiz v. Spouses Po*, 810 Phil. 123, 158 (2017) [Per J. Leonen, Second Division].

⁵⁴ *Rolio*, Vol. II, p. 969.

stock certificate in TRLEI was thereafter cancelled, which was reflected accordingly in the stock and transfer book of TRLEI.⁵⁵ On the other hand, Kazuo failed to prove that he was indeed the owner of the subject share. Thus, there are no shares of stock in TRLEI that Kazuo can legally and properly recover in this case.

Moreover, it has been established that, contrary to his claims, Kazuo is not the controlling stockholder of OHL.

In his appeal with the CA and petition before this Court, Kazuo stressed that he was mainly questioning his removal as the shareholder of TRLEI⁵⁶ and reiterated that his ouster was done through "a series of fraudulent and illegal acts" of his children in relation to their shareholdings in OHL.⁵⁷

TRLEI and Sugiyama countered that Kazuo is not the controlling stockholder of OHL. As proof, they presented translated copies of the final decisions of the Hong Kong and Japanese courts that ruled on the validity of the Trust Agreement between Kazuo's children, Tomohiro and Hiromi.

Indeed, under Section 48,⁵⁸ Rule 39 of the Rules of Court, a judgment or final order of a competent foreign tribunal may be given effect in our jurisdiction, provided that the party invoking the foreign judgment or order proves the same as a fact. In recognizing foreign judgments or orders, Philippine courts exercise limited review and does not delve into the merits of the same.⁵⁹

In the 10 August 2022 Resolution, the Court was constrained from ruling on the effect of the foreign judgments invoked by TRLEI and Sugiyama for their failure to comply with the rules on evidence. The Court stated:

By invoking the decisions of the Japan courts, TRLEI would have Us recognize said foreign judgments. It is settled, however, that *Philippine courts do not take judicial notice of foreign judgments. As such, foreign judgments must be proven as facts under our rules on evidence.* Under Section 19 (a), Rule 132 (B) of the 2019 Amendments to the 1989 Revised Rules on Evidence (Rules on Evidence), written official acts, or records of the sovereign authority, official bodies and tribunals, and public officers of a foreign country, are considered as public documents that may be proved in accordance with Sections 24 and 25 of the same rules. To prove a foreign judgment, the Rules on

⁵⁵ CA rollo (G.R. SP No. 174770), Vol. XIII, pp. 4869-4873.

⁵⁶ Rollo, Vol. II, pp. 678-797-799.

⁵⁷ Id. at 800.

⁵⁸ **Section 48. Effect of foreign judgments or final orders.** -- The effect of a judgment or final order of a tribunal of a foreign country, having jurisdiction to render the judgment or final order is as follows:
(a) In case of a judgment or final order upon a specific thing, the judgment or final order, is conclusive upon the title to the thing, and
(b) In case of a judgment or final order against a person, the judgment or final order is presumptive evidence of a right as between the parties and their successors in interest by a subsequent title.
In either case, the judgment or final order may be repelled by evidence of a want of jurisdiction, want of notice to the party, collusion, fraud, or clear mistake of law or fact. (50a)

⁵⁹ *Fujiki v. Marinay*, 712 Phil. 524, 547 (2013) [Per J. Carpio, Second Division].

Evidence require proof, either by (1) official publications; or (2) copies attested by the officer having legal custody of the documents. *Should the copies of official records be proven to be stored outside of the Philippines, they must be accompanied by: (1) a certificate or its equivalent in the form prescribed in the treaty or convention to which the Philippines is a party, unless such certificate is not required under the treaty or convention; or (2) an authenticated certificate issued by the proper diplomatic or consular officer in the Philippine foreign service stationed in the foreign country in which the record is kept, if the foreign country is not a contracting party to any such treaty or convention.* If copies are offered into evidence, the attestation: (1) must state that it is a correct copy of the original, or a specific part thereof; and (2) must be under the official seal of the attesting officer, or if he be the clerk of a court having a seal, under such seal of said court.

Here, We are constrained from ruling on the legal effect of such foreign judgments for failure of TRLEI to comply with the foregoing rules on evidence. TRLEI submitted English copies of the following documents: (i) Judgement dated 19 October 2018 of the High Court of the Hong Kong Special Administrative Region Court of First Instance in Miscellaneous Proceedings No. 2446 of 2017; (ii) Decision dated 25 January 2019 of the Tokyo District Court 14th Civil Division; (iii) Decision dated 10 July 2019 of the Tokyo High Court 1st Civil Affairs Division; and (iv) Report in Lieu of Written Decision dated 14 July 2020 of the Third Petty Bench of the Supreme Court. These documents, however, are neither official publications nor are they duly attested copies of the same. The required certification is likewise not submitted. There is also no allegation that the documents are exempt from such requirement pursuant to a treaty or convention.

Further, aside from the non-submission of the decisions in the original language, there is no showing who effected the English translations of the said foreign decisions. *Under Section 33 of the Rules on Evidence, "[d]ocuments written in an unofficial language shall not be admitted as evidence, unless accompanied with a translation into English or Filipino."* In *Pacific Asia Overseas Shipping Corp. v. National Labor Relations Commission*, the Court stressed the need for a translation of a document written in a non-official language (i) by the official interpreter of the court who must be of recognized competence both in the language in which the document involved is written and in English, or (ii) *a translation agreed upon by the parties.*⁶⁰ (Emphasis supplied, citations omitted)

Here, the existence and authenticity of the foreign judgments and its translations have been duly proved as stated in the CA Report.⁶¹ Notably, "[t]he rules are silent as to what initiatory procedure must be undertaken in order to enforce a foreign judgment in the Philippines."⁶² As such, the foreign judgments may now be considered by this Court as presumptive evidence of the rights between Tomohiro, on one side; and Hiromi and Kazuo on the other,

⁶⁰ *Rollo*, Vol. VIII, pp. 4181-4182.

⁶¹ *Rollo*, Vol. X, pp. 4884-4886.

⁶² *Mijares v. Ranada*, 495 Phil. 372 (2005) [Per J. Tinga, Second Division]. See also *Investment Corp. v. Court of Appeals*, 340 Phil. 232 (1997) [Per J. Mendoza, Second Division], where the Court stated that it is not necessary to initiate a separate action or proceeding for the enforcement of a foreign judgment for actions *in personam*, since what is essential is that there is opportunity to challenge the foreign judgment, in order for the court to properly determine its efficacy.

in relation to the status of Hiromi's shares in OHL.⁶³

To recap, Tomohiro and Kazuo both assert majority control over OHL shareholdings. Tomohiro claims that he is the controlling stockholder of OHL by combining his OHL shares with Hiromi's pursuant to the Trust Agreement. Kazuo maintains that Hiromi executed documents that repudiated the Trust Agreement and gave Kazuo control over Hiromi's OHL shares. The foreign judgments invoked by TRLEI and Sugiyama resolved this issue.

The case before the Hong Kong court was filed by Hiromi, questioning the validity of the Trust Agreement. On 19 October 2018, the Hong Kong court resolved to grant a stay of proceedings in view of the exclusive jurisdiction clause in the Trust Agreement in favor of the Tokyo District Court.⁶⁴ On the other hand, Tomohiro filed a case before the Tokyo District Court seeking to confirm the validity of the Trust Agreement. In the Decision⁶⁵ dated 25 January 2019, the Tokyo District Court affirmed the validity of the Trust Agreement. It rejected Hiromi's argument that she merely signed the Trust Agreement without understanding the same, ratiocinating that the latter was educated and had relevant experience. This was affirmed by the Tokyo High Court 1st Civil Affairs Division on 10 July 2019,⁶⁶ and by the Third Petty Bench of the Supreme Court on 14 July 2020.⁶⁷

Verily, said foreign judgments affirmed the validity of the Trust Agreement and effectively recognized that Kazuo's son, Tomohiro, is the majority shareholder of OHL, holding in his name and in trust for Hiromi a total of 53.24% of OHL shareholdings. Thus, as it stands, the revocation of the TRAI Deed of Assignment, through Asano and Takako as directors appointed or elected under the leadership of Tomohiro, was done with proper authority.

*The SQAQ, being an ancillary remedy,
must be lifted*

An SQAQ is "an interlocutory ordered created by the Supreme Court *En Banc* to afford remedies to parties" and for "compelling reasons that cater to the demands of justice and equity."⁶⁸ As such, the issuance of an SQAQ is not governed by any special rules, unlike restraining orders and injunctive writs. In issuing an SQAQ, the Court primarily considers the following factors:

⁶³ See Section 48 (b), Rule 59 of the Rules of Court.

⁶⁴ *CA rollo* (G.R. SP No. 174770), Vol. XI, pp. 4191-4216.

⁶⁵ *Id.* at 4143-4164.

⁶⁶ *Id.* at 4177-4186.

⁶⁷ *Id.* at 4189-4190.

⁶⁸ Separate Opinion of J. Leonen in *ABS-CHN Corp. v. National Telecommunications Commission*, 879 Phil. 507, 540 (2020).

(i) justice and equity considerations; (ii) when conservation of the *status quo* is desirable or essential; (iii) the preservation of any serious damage; and (iv) where constitutional issues are raised.⁶⁹

Nonetheless, the Court may find guidance in cases involving injunctive writs in determining an SQAQO's scope and duration. We have previously ruled that an SQAQO is akin to the provisional remedies of temporary restraining order and writ of preliminary injunction,⁷⁰ and doctrines on dissolution or effectivity of said provisional remedies may be applied by analogy to SQAQO.⁷¹

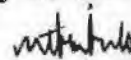
Thus, like a temporary restraining order and writ of preliminary injunction, an SQAQO may only be maintained prior to a decision on the merits to prevent a situation where the outcome of the litigation is rendered useless.⁷² It must be emphasized that "a dismissal, discontinuance or non-suit of an action in which a restraining order or temporary injunction has been granted operates as a dissolution of the restraining order or temporary injunction."⁷³ As an SQAQO is interlocutory and ancillary in character, it cannot stand independent of the main proceeding.

Given this Court's resolution on the main petition, the SQAQO must consequently be lifted.

WHEREFORE, premises considered, the instant Petition is hereby **DENIED**. The Decision dated 24 September 2020 and Resolution dated 19 February 2021 in CA G.R. SP No. 158730 are **AFFIRMED**. Accordingly, the assailed *Status Quo Ante* Order dated 27 April 2022 is hereby **IMMEDIATELY LIFTED**.

SO ORDERED."

By authority of the Court:



MARIA TERESA B. SIBULO
Division Clerk of Court

108

NOV 16 2023

⁶⁹ Id.

⁷⁰ *City of Davao v. Olanolan*, 808 Phil. 561, 570 (2017) [Per J. Perlas-Bernabe, First Division]. See also *Ocampo v. Enriquez*, 815 Phil. 4175 (2017) [Per J. Peralta, En Banc].

⁷¹ Id.

⁷² See *Cahambing v. Espinosa*, 804 Phil. 412 (2017) [Per J. Peralta, Second Division]. See also Separate Opinion of J. Leonen in *ABS-CBN Corp. v. National Telecommunications Commission*, 879 Phil. 507 (2020) citing *Molina v. Samonte*, 24 Phil. 49 (1913) [Per J. Moreland, First Division].

⁷³ *Local Water Utilities Administration Employees Association for Progress v. Local Water Utilities Administration*, 794 Phil. 496, 507 (2016) [Per J. Peralta, Third Division]. See also *Unionbank of the Philippines v. Court of Appeals*, 370 Phil. 837 (1999) [Per CJ Davide, Jr., First Division].

SUAREZ & NARVASA LAW FIRM (x)
Counsel for Petitioner
3rd Floor, CSJ Building, 105 Aguirre Street
Legaspi Village, 1229 Makati City
snlaw@suareznarvasa.com

HERRERA TEEHANKEE & CABRERA
LAW OFFICES (x)
Counsel for Petitioner
5th Floor, SGV II Building
6758 Ayala Avenue, 1226 Makati City
htclawoffices@htc-law.com.ph

Mr. Kenshi Asano
Respondent
1302 Restage Neshinfunabashi
60-2, Yamano-cho, Funabashi City
Chiba Prefecture, 275-0026 Japan
- and/or -
Okada Manila (x)
New Seaside Drive, Entertainment City
Barangay Tambo, 1700 Parañaque City

Ms. Takako Okada
Respondent
16th Floor, Tower 2, The Lily
129 Repulse Bay Road, Hong Kong Island
Hong Kong
- and/or -
Okada Manila (x)
New Seaside Drive, Entertainment City
Barangay Tambo, 1700 Parañaque City

Tiger Resort Leisure and Entertainment, Inc.
[TRLEI] (x)
Respondent
Okada Manila
New Seaside Drive, Entertainment City
Barangay Tambo, 1700 Parañaque City

Mr. Reynaldo G. David
Respondent
(Deceased)

The Hon. Presiding Judge (x)
Regional Trial Court, Branch 258
1700 Parañaque City
(Civil Case No. 2018-226)

Court of Appeals (x)
1000 Manila
(CA-G.R. SP No. 158730)

MEER MEER & MEER (x)
Counsel for Resps. Sugiyama & TRLEI
19th Floor, L.V. Locsin Building
6752 Ayala Avenue, 1226 Makati City
patrick.manalo@meerlaw.ph

M.M. LAZARO & ASSOCIATES (x)
Counsel for Resp. M. Lazaro (Deceased)
19th Floor, Chatham House Building
Valero cor. Rufino Streets, Salcedo Village
1227 Makati City
mmlazarofirm@mmlazarolaw.com

Mr. Antonio O. Cojuangco (x)
Respondent
5/F, DPC Building
2322 Chino Roces Avenue
1200 Makati City

Steven Wolstenholme
Respondent
Hoiana Resort & Golf Tay Son Tay Hamlet
Duy Hai Commune, Duy Xuyen District
Quang Nam, Vietnam 51511, Vietnam

Yoshinao Negishi
Respondent
368-67 ObachoAoba Ward, Yokohama
Kanagawa 225-0023, Japan

Public Information Office (x)
Library Services (x)
Supreme Court
(For uploading pursuant to A.M.
No. 12-7-1-SC)

Philippine Judicial Academy (x)
Supreme Court

Judgment Division (x)
Supreme Court