



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

NEPTUNE METAL SCRAP
 RECYCLING, INC.,

G.R. No. 204222

Petitioner,

Present:

- versus -

CARPIO, *J.*, Chairperson,
 BRION,
 DEL CASTILLO,
 MENDOZA,* and
 LEONEN, *JJ.*

MANILA ELECTRIC COMPANY and
 THE PEOPLE OF THE PHILIPPINES,

Respondents.

Promulgated:

04 JUL 2016

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DECISION

BRION, *J.*:

We resolve the petition for review on *certiorari* challenging the **March 20, 2012** and **October 19, 2012** resolutions¹ of the Court of Appeals (CA) in CA-G.R. SP No. 119642. The CA denied the motion for leave to intervene and to admit the comment-in-intervention filed by Neptune Metal Scrap Recycling, Inc. (*Neptune*) due to lack of legal interest to intervene and late filing of the intervention.

THE FACTS

Neptune traces its roots to the criminal case filed against Rolando Flores (*Flores*) and Jhannery Hupa (*Hupa*) (*the accused*). On August 10, 2010, the accused were driving a trailer truck with a container van towards the Manila International Container Port when men from the Criminal Investigation and Detection Group flagged them down on suspicion that they were illegally transporting electric power transmission

* On Official Leave.

¹ *Rollo*, p. 78-84; penned by Associate Justice Japar B. Dimaampao and concurred in by Associate Justices Michael P. Elbinias and Socorro B. Inting (March 20, 2012 resolution); and by Associate Justices Elihu A. Ybañez and Victoria Isabel A. Paredes (October 19, 2012 resolution).

scrap copper wires owned by the Manila Electric Company (*Meralco*). The police seized the truck with its contents and detained the accused.

The accused were charged before the Regional Trial Court (*RTC*) of Malabon with theft of electric power transmission lines and materials under Section 3 of Republic Act (*RA*) No. 7832.² The case was docketed as Criminal Case No. 10-1419.

The accused filed a motion to quash the information alleging that the facts charged in the information do not constitute an offense.

Neptune filed its **entry of special appearance with motion for leave to permit the inspection, examination, and photographing of the seized container van** (*entry with motion*). Neptune argued that it owned the contents of the container van, specifically, the thirteen (13) bundles of scrap copper wires worth around Eight Million Pesos (₱8,000,000.00). Neptune presented several documents to prove its claim of ownership.³

The *RTC* granted Neptune's motion and ordered the inspection of the container van and its contents. A second inspection was done to allow *Meralco*'s representatives to inspect the same.

Neptune continued to participate in the *RTC* proceedings. It filed several pleadings before the *RTC* such as: (a) a manifestation on the results of the first inspection; (b) a motion to deposit the keys to the container van with the court; (c) a supplement to the motion to deposit the keys; (d) a memorandum of authorities on "birch cliff copper"; (e) a manifestation on the results of the second inspection; (f) a motion for the release of the goods; and (g) the comment to *Meralco*'s compliance.⁴ Neptune also took part in the clarificatory hearing on the inspection.

On January 3, 2011, the *RTC* ordered the quashal of the information.⁵ The *RTC* noted that no *Meralco* power transmission scrap copper wires were found in the container van during the two ocular inspections. **The *RTC* also ordered the return of the keys and the container van to Neptune.** Neptune recovered three remaining bundles of scrap copper wires.

Meralco filed a motion for reconsideration which the *RTC* denied. *Meralco* then filed a **petition for certiorari before the CA** asking to reinstate the information; it did not include Neptune as a party. Thus, Neptune filed a **motion for leave to intervene and to admit its comment-in-intervention**. *Meralco* opposed this motion claiming that the subject matter of the offense, *i.e.*, *the electric power transmission scrap copper wires*, is different from the birch cliff copper wires claimed by Neptune.

² Anti-Electricity and Electric Transmission Lines / Materials Pilferage Act of 1994, December 8, 1994.

³ *Rollo*, p. 24: (a) purchase order from Trumet International to Neptune; (b) Neptune's Export Declaration to the Department of Trade and Industry; and (c) packing list.

⁴ *Id.* at 24-27.

⁵ *Id.* at 349-354.

The CA denied Neptune's motion for leave to intervene. The CA ruled that: (a) Neptune failed to demonstrate its legal interest on the subject matter in litigation; (b) the intervention will unduly delay or prejudice the case; and (c) Neptune failed to timely file a motion for intervention before the RTC and to directly and actively participate in the RTC proceedings. The CA added that Neptune may vindicate its rights in a separate action.

The CA also denied Neptune's motion for reconsideration; hence, this petition.

THE PARTIES' ARGUMENTS

In its petition, Neptune argues that it has legal interest over the subject matter in litigation – the scrap copper “birch cliff” found in the container van; in fact, it was persistent in asserting its right of ownership even before the RTC. If the RTC's order is reversed, Neptune stands to lose the three recovered bundles of copper scrap worth approximately ₱2,000,000.00 because Articles 25 and 45 of the Revised Penal Code (*RPC*) provide for the forfeiture of the instruments and proceeds of an offense in favor of the government. Neptune adds that the owner of a property subject of the litigation has a right to intervene.

Neptune also argues that the intervention would not delay the adjudication of the parties' rights, and in fact would facilitate the administration of justice in determining whether the accused are liable for the crime charged.

Neptune stresses that its entry with motion was effectively a motion for intervention timely filed before the RTC. The RTC, it adds, also recognized Neptune's intervention by allowing it to participate in the proceedings by filing numerous pleadings and appearing in court hearing.

Assuming that the motion for intervention was belatedly filed, Neptune argues, the CA should still have allowed Neptune's intervention. As a general rule, intervention is allowed only before or during a trial. However, in several cases, the Court has allowed intervention even after rendition of judgment if the facts and merits of the case warrant it.⁶

In its comment,⁷ the Office of the Solicitor General (*OSG*), representing the People of the Philippines, argues: first, that Neptune's petition raises questions of fact which are not allowed in a Rule 45 petition. The issue of whether Neptune complied with the requirements for intervention requires the Court to scrutinize the evidence.

Second, the *OSG* insists, that Neptune has no legal interest to justify the intervention for three reasons: (1) Neptune has no legal interest in the

⁶ *Office of the Ombudsman v. Miedes*, G.R. No. 176409, February 27, 2008, 547 SCRA 148.

⁷ *Rollo*, pp. 396-429.

subject matter of the case. The subject matter in the present case is the transmission copper wires owned by Meralco, not the birch cliff copper wires claimed by Neptune. (2) Neptune has no interest in the success of either party or against both parties because it cannot be prejudiced by a court's finding of guilt of the accused. (3) Neptune cannot be adversely affected by the distribution or disposition of the property in the court's custody. The OSG notes that the container van is not in the court's custody as it has not yet been offered in evidence.

Third, the OSG argues that the motion for intervention was belatedly filed. It emphasizes that Neptune filed only an entry with special appearance, not a motion for intervention, before the RTC. The entry of special appearance could not be considered a motion for intervention because it had no pleading-in-intervention attached to it as required under Section 19 of the Rules of Court (*Rules*). The motion for leave to permit inspection, examination, and photographing of the seized container van does not constitute a pleading-in-intervention. Thus, the RTC gravely abused its discretion when it took cognizance of Neptune's motions and pleadings despite the absence of personality to take part in the proceedings.

In its reply,⁸ Neptune reiterates its arguments and adds that the legal question raised in the petition is whether the entry and its accompanying motion were effectively a motion for intervention under Rule 19 of the Rules. Even assuming that the petition raises a pure question of fact, the Court may still take cognizance of the case as it falls under the two exceptions: (a) the CA's findings of fact are conclusions without citation of specific evidence; and (b) the CA's findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record.

Neptune also clarifies that the transmission wires claimed by Meralco are part of the scrap copper wires claimed by Neptune. In fact, the RTC found no Meralco property inside the container van. Meralco also failed to present any evidence to show that it owns the copper wires.

THE COURT'S RULING

We find the petition **meritorious**.

The issue before the Court is whether the CA erred in denying Neptune's motion for intervention.

Intervention is a remedy by which a third party, who is not originally impleaded in a proceeding, becomes a litigant for purposes of protecting his or her right or interest that may be affected by the proceedings.⁹ Intervention is not an absolute right but may be granted by the court when the movant shows facts which satisfy the requirements of the statute

⁸ Id. at 426a-450.

⁹ *Ongco v. Dalisay*, G.R. No. 190810, July 18, 2012, 677 SCRA 232.

authorizing intervention.¹⁰ The allowance or disallowance of a motion to intervene is within the sound discretion of the court.¹¹

Section 1, Rule 19 of the Rules provides that a court may allow intervention (a) if the movant has legal interest or is otherwise qualified, and (b) if the intervention will not unduly delay or prejudice the adjudication of rights of the original parties and if the intervenor's rights may not be protected in a separate proceeding.¹² Both requirements must concur.

Section 2, Rule 19 of the Rules requires a movant to file the motion for intervention before the RTC's rendition of judgment and to attach a pleading-in-intervention.¹³ The court may allow intervention after rendition of judgment if the movant is an indispensable party.¹⁴

With these procedural rules as guidelines, we examine, *first*, whether Neptune has a legal interest to intervene in the present case. Is Neptune's ownership of the allegedly stolen items sufficient to grant intervention?

A movant for intervention must have legal interest either (i) in the matter in litigation, (ii) in the success of either of the parties, or (iii) against both parties.¹⁵ The movant may also intervene if he or she is (iv) so situated as to be adversely affected by a distribution or other disposition of property in the court's custody.¹⁶ Legal interest is present when the intervenor will either gain or lose as a direct effect of the judgment.¹⁷ The legal interest must be actual and material, direct, and immediate.¹⁸ In a theft case, the subject matter in litigation is the item alleged to have been stolen.¹⁹

In the present case, Neptune argues that it has a legal interest in the subject matter in litigation, particularly, the scrap copper wires in the container van. The RTC found Neptune to be the owner of the contents of the container van; hence, it released these contents to Neptune. The RTC also noted that no Meralco transmission wires were found in the container van during the two ocular inspections. Thus, the RTC quashed the information against the accused.

As the owner of the scrap copper wires, Neptune undoubtedly has legal interest in the subject matter in litigation. The CA's reversal of the RTC's quashal of the information would necessarily require Neptune to

¹⁰ *Executive Secretary v. Northeast Freight Forwarders, Inc.*, G.R. No. 179516, March 17, 2009, 581 SCRA 736.

¹¹ *Heirs of Restrivera v. De Guzman*, G.R. No. 146540, July 14, 2004, 434 SCRA 456.

¹² *Supra* note 10.

¹³ Rules of Court, Rule 19, Section 2.

¹⁴ *Looyuko v. Court of Appeals*, G.R. No. 102696, July 12, 2001, 361 SCRA 150; and *Pinlac v. Court of Appeals*, G.R. No. 91486, September 10, 2003, 410 SCRA 419.

¹⁵ Rules of Court, Rule 19, Section 1.

¹⁶ *Id.*

¹⁷ *Cariño v. Ofilada*, G.R. No. 102836, January 18, 1993, 217 SCRA 206.

¹⁸ *Id.*

¹⁹ *BSB Group, Inc. v. Go*, G.R. No. 168644, February 16, 2010, 612 SCRA 596.

return the bundles of copper wire it had recovered. Undoubtedly, Neptune, as the owner, has a legal interest in the subject matter in litigation before the CA.

Second, we determine whether Neptune's intervention would unduly delay or prejudice the adjudication of the rights of the accused and of the State. We also consider whether Neptune's rights may be protected in a separate proceeding.

In one case,²⁰ the Court effectively placed the burden on the oppositors to argue that the intervention would delay the proceedings and that the intervenor's rights would not be protected in a separate case. The Court noted that the oppositors focused their arguments on the intervenor's lack of legal interest such that they failed to allege or present any evidence to meet the second requirement in granting intervention.²¹ Thus, the Court has no basis to rule that the intervention will delay the adjudication of rights of the original parties.²² Too, the intervention is more beneficial and convenient for petitioners and the courts as it will avoid multiplicity of suits and clogging of the court dockets.²³

Similarly, in the present case, the OSG failed to allege or present any evidence showing that Neptune's intervention will delay the proceedings and that Neptune may protect its rights in a separate case.

Additionally, allowing Neptune's intervention is even beneficial to the courts in ascertaining whether theft indeed occurred. The information filed before the RTC alleges that the accused committed theft against Meralco. Lack of owner's consent is an essential element of the crime of theft. Neptune's intervention will assist the CA in ascertaining the owner of the scrap copper wires – whether Meralco or Neptune – and in determining whether the rightful owner gave its consent to the accused's act of taking the scrap copper wires. It should be stressed, too, that granting the intervention would reduce the suits filed in court.

Third, we verify whether Neptune timely filed its intervention. As we noted above, a would-be intervenor must file the motion for intervention before the RTC renders its judgment.

In the present case, Neptune filed a motion denominated as "motion for intervention" only before the CA or only after the RTC had rendered its judgment. Neptune argues that the entry with motion it filed with the RTC is tantamount to a motion for intervention. The OSG, on the other hand, argues that the entry with motion cannot constitute as a motion for intervention because it lacked the pleading-in-intervention required by the Rules.

²⁰ *Supra* note 10, at 749-750.

²¹ *Id.*

²² *Id.*

²³ *Id.* at 750.

We rule in Neptune's favor and hold that the entry with motion effectively constitutes a motion for intervention.

The rules on intervention are procedural rules, which are mere tools designed to expedite the resolution of cases pending in court.²⁴ Courts can avoid a strict and rigid application of these rules if such application would result in technicalities that tend to frustrate rather than promote substantial justice.²⁵

In the present case, Neptune only filed a special appearance with a motion to inspect the container van before the RTC. At that time, Neptune was still uncertain whether it owned or it had legal interest over the container van's contents. After the inspection, however, it ascertained that it indeed owned the scrap copper wires and thus continued to participate in the case. Notably, the RTC allowed Neptune to appear, file pleadings, and represent itself in the court proceedings. All these amount to intervention as contemplated under the rules.

The lack of a pleading-in-intervention attached to the entry with motion is justified by Neptune's initial uncertainty as to the ownership of the container van's contents. After the ocular inspections, we note that Neptune filed manifestations, motions, and comment before the RTC to disprove Meralco's alleged ownership and to reclaim the scrap copper wires. These pleadings were accepted and considered by the RTC in rendering its decision.

Undeniably, the RTC allowed Neptune to intervene in the case *via* the entry with motion, albeit without filing a motion specifically denominated as a "motion for intervention." Thus, Neptune complied with the requirement of filing an intervention prior to the RTC's rendition of judgment.

All told, the CA erred when it denied Neptune's motion for intervention on the grounds that it lacked legal interest to intervene and that it filed the intervention beyond the prescribed period.

WHEREFORE, we hereby **GRANT** the petition. The March 20, 2012 and October 19, 2012 resolutions of the Court of Appeals in CA-G.R. SP No. 119642 are hereby **REVERSED** and **SET ASIDE**.


SO ORDERED.


ARTURO D. BRION
Associate Justice

²⁴ *Al-Amanah Islamic Investment Bank of the Philippines v. Celebrity Travel and Tours, Incorporated*, G.R. No. 155524, August 12, 2004, 436 SCRA 356-357.

²⁵ *Id.*

WE CONCUR:

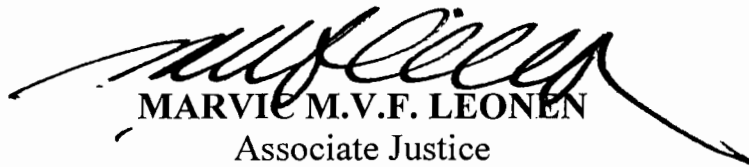


ANTONIO T. CARPIO
Associate Justice
Chairperson



MARIANO C. DEL CASTILLO
Associate Justice

(On Official Leave)
JOSE CATRAL MENDOZA
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.



ANTONIO T. CARPIO
Acting Chief Justice