

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5339



Introduced by Representative Jose Luis Angel N. Campos, Jr.

EXPLANATORY NOTE

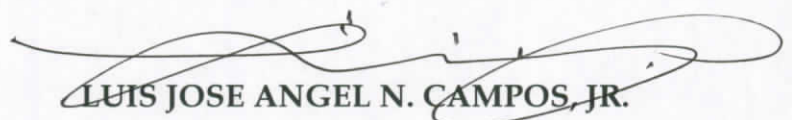
This bill seeks to establish commercial courts in every province or city throughout the country which will exercise original and exclusive jurisdiction over all intra-corporate cases and other cases enumerated under Section 5 of Presidential Decree No. 902-A, also known as the Securities and Exchange Commission Reorganization Act, as amended; cases involving insolvency and liquidations under the Financial Rehabilitation and Insolvency Act of 2010 (FRIA); and cases emanating from administrative proceedings as well as dissolutions and liquidation of partnerships under Articles 1830 and 1831 of the New Civil Code.

In developing and transition economies, policymakers have increasingly recognized the important role played by judiciaries in creating an institutional environment conducive to robust private sector activity. It was this recognition that prompted the Supreme Court of the Philippines, with the support of local business groups, international investors and the donor community, to designate certain regional trial courts as commercial courts dedicated to consider and resolve commercial cases.

Today, Regional Trial Courts (RTCs) designated as commercial courts are overburdened with multifarious and voluminous number of cases. Aside from the commercial and financial cases, the presently designated commercial courts continue to hear other non-commercial cases. The designated courts still continue to perform the functions of a regular RTC even after they have been designated as special commercial courts.

The RTCs should be relieved of commercial-related cases which should be vested in proposed commercial courts. This will certainly lead to a speedier resolution of commercial cases and help lessen the backlog in the regular courts. Furthermore, judges specifically dealing with, among others, intra-corporate cases, intellectual property cases, cases involving admiralty and maritime laws, will become experts in such field of law and will develop to the fullest capacity their legal and factual analysis of such cases.

Thus, approval of this bill is strongly recommended.


LUIS JOSE ANGEL N. CAMPOS, JR.

1 SECTION 6. *Jurisdiction.* – The commercial courts shall have exclusive original
2 jurisdiction to hear and decide the following cases:

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4 a) Intra-corporate cases and other cases enumerated under Section 5 of
5 Presidential Decree No. 902-A, as amended, that were formerly cognizable by the Securities
6 and Exchange Commission;

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8 b) Intellectual property cases:

9 1) All civil actions for violations of intellectual property rights provided
10 for in Republic Act No. 8293 or the Intellectual Property Code, as amended;

11 2) All criminal actions for violations of intellectual property rights
12 provided for in the Intellectual Property Code, as amended;

13 3) Applications for *ex parte* issuance of a writ of search and seizure in civil
14 actions for infringements of intellectual property rights; and

15 4) Applications for the issuance of search warrants involving violations
16 of the Intellectual Property Code.

17
18 c) Cases involving admiralty and maritime laws;

19
20 d) Petitions for dissolution involving partnerships under Articles 1830 and 1831
21 of the Civil Code, including liquidation emanating therefrom;

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23 e) Financial rehabilitation cases:

24 1) Petition for rehabilitation of corporations, partnerships and sole
25 proprietorships, filed pursuant to Republic Act No. 10142, otherwise known as the
26 “Financial Rehabilitation and Insolvency Act (FRIA);” and

27 2) Liquidation of insolvent juridical and individual debtors and
28 suspension of payments of insolvent debtors pursuant to the FRIA;

29
30 f) Liquidation cases:

31 1) Those emanating from administrative proceedings and from
32 expiration of corporate term; and

33 2) Court-assisted liquidation under special laws;

34
35 g) Investment frauds:

36 1) Pre-need plans or insurance scams;

37 2) Pyramiding scams, Ponzi schemes;

38 3) Other forms of investment scams; and

39 h) Cases involving embezzlement of corporate funds or assets committed by a
40 corporation or by an individual acting on behalf of a corporation or other business entity.

41
42 SECTION 7. *Court of Record.* – The commercial court shall be a court of record and
43 shall have a clerk of court and such subordinate employees as may be necessary, who shall
44 be appointed in the same manner and shall receive the same compensation as those similar
45 officials and employees of the RTC.

46
47 SECTION 8. *Proceedings and Enforcement of Decisions.* – All proceedings and final
48 orders of the commercial courts shall be governed by the pertinent provisions of the Revised
49 Rules of Court consistent with the provisions of this Act.

1 SECTION 9. *Period for Termination of Case.* – As far as practicable, the trial of cases
2 before the commercial court once commenced shall be continuous and shall be terminated
3 within three (3) months from the filing of the cases and the judgment shall be rendered
4 within thirty (30) days from the date the case was submitted for decision.

5
6 SECTION 10. *Appeal.* – Decisions and orders of the commercial court shall be
7 appealed in the same manner and be subject to the same conditions as appeals from the
8 RTC.

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10 SECTION 11. *Transfer of Cases.* – Upon organization of commercial courts, the
11 Supreme Court shall cause all cases or proceedings, which properly fall within the
12 jurisdiction of the commercial court and pending before other courts designated as
13 commercial courts by the Supreme Court, to be transferred thereto.

14
15 SECTION 12. *Transitory Provision.* – The existing special rules and procedures
16 applicable to commercial related cases shall, as far as they are not in conflict with the
17 provisions of this Act, continue to be applied.

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19 SECTION 13. *Appropriations.* – The amount necessary for the implementation of
20 this Act shall be charged to the appropriations of the Supreme Court. Thereafter, the
21 amount necessary for the continuous implementation of this Act shall be included in the
22 annual General Appropriations Act.

23
24 SECTION 14. *Implementing Rules and Regulations.* – Within ninety (90) days from
25 the effectivity of this Act, the Supreme Court shall formulate the necessary rules and
26 regulations for the effective implementation of this Act.

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28 SECTION 15. *Repealing Clause.* – All laws, executive orders, decrees, issuances,
29 circulars, rules and regulations inconsistent with the provisions of this Act are hereby
30 repealed, amended or modified accordingly.

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32 SECTION 16. *Separability Clause.* If any part, section or provision of this Act is
33 declared invalid or unconstitutional, the other parts or provisions hereof which are not
34 affected thereby shall remain to be in full force and effect.

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36 SECTION 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its
37 publication in the *Official Gazette* or in a newspaper of general circulation.

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39 Approved,