

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

First Division

**UNITED INTERNATIONAL
PICTURES AKTIEBOLAG,**

CTA Case No. 10033

Petitioner, Members:

-versus-

**DEL ROSARIO, P.J., Chairperson
MANAHAN, and
REYES-FAJARDO, JJ.**

**COMMISSIONER OF INTERNAL
REVENUE,**

Promulgated:

Respondent.

JUN 06 2022 ; 11:35 a.m.

X- - - - -

D E C I S I O N

- - - - - X

MANAHAN, J.:

This is a *Petition for Revival of Judgment*¹ filed by petitioner United International Pictures Aktiebolag (UIPA) against respondent Commissioner of Internal Revenue (CIR) on February 22, 2019, praying for the revival of the judgment in the Court of Tax Appeals Decision dated June 4, 2001 docketed as CTA Case No. 6027 and ordering respondent to issue a Tax Credit Certificate (TCC) in the amount of Php6,285,892.05 in its favor.²

THE PARTIES

Petitioner UIPA is a foreign corporation duly organized and existing under the laws of Sweden registered under Securities and Exchange Commission (SEC) Registry No. 576.³ It may be served with notices and other processes at the 18th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City.⁴

Respondent CIR, on the other hand, is a public officer duly appointed by the President of the Philippines and is the

¹ Docket, CTA Case No. 10033, Vol. I, pp. 10-15.

² *Id.*, Vol. I, Pre-Trial Order, Statement of the Case, p. 187.

³ *Id.*, Vol. I, Pre-Trial Brief, Exhibits "P-1" and "P-2", pp. 91-93 and p. 94, respectively.

⁴ *Id.*, Vol. I, Petition for Revival of Judgment, Paragraph 1, p. 10. 

DECISION

CTA Case No. 10033

Page 2 of 9

head of the Bureau of Internal Revenue (BIR) vested with the power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, and penalties imposed in relation thereto. He may be served with summons and other court processes at the BIR National Office Building, Diliman, Quezon City.⁵

THE FACTS

A Petition for Review dated March 15, 2000 was filed by United International Pictures AB (UIP AB) and docketed before this Honorable Court as CTA Case No. 6027.⁶ Subsequently, this Court ruled in favor of UIP AB under the Decision dated June 4, 2001.⁷

On January 31, 2005, the Court of Appeals (CA) issued a Decision⁸ in favor of UIP AB and was affirmed in a Resolution dated August 31, 2005.⁹

On January 21, 2009, the Supreme Court, in a Resolution, ruled in favor of UIP AB which affirmed said CA Decision and found no reason to disturb the factual findings of this Court.¹⁰

There being no motion for reconsideration filed, said Resolution became final and executory on February 27, 2009, hence, the issuance of an Entry of Judgment in favor of UIP AB.¹¹

On February 22, 2019, petitioner UIPA filed the instant petition.

On April 17, 2019, respondent posted his *Answer*¹² with the Special and Affirmative Defenses that the petitioner in the Supreme Court case under G.R. No. 169565 to whom the Resolution dated January 21, 2009 was favorably issued, was

⁵ Docket, Vol. I, Joint Stipulation of Facts and Issue (JSFI), p. 157; Docket, Vol. I, Pre-Trial Order, p. 188.

⁶ *Id.*, Vol. I, JSFI, p. 157; Docket, Vol. I, Pre-Trial Order, p. 188.

⁷ *Id.*, Vol. I, JSFI, p. 158; Docket, Vol. I, Petition for Revival of Judgment, Annex B, p. 25; Docket, Vol. I, Exhibit "P-3", pp. 26-36.

⁸ *Id.*, Vol. I, Exhibit "P-4", pp. 38-51.

⁹ *Id.*, Vol. I, JSFI, p. 158; Docket, Vol. I, Exhibit "P-5", p. 53.

¹⁰ *Id.*, Vol. I, JSFI, p. 158; Docket, Vol. I, Exhibit "P-6", pp. 55-60.

¹¹ *Id.*, Vol. I, JSFI, p. 158; Docket, Vol. I, Exhibit "P-7", p. 61.

¹² *Id.*, Vol. I, pp. 71-75. 

DECISION

CTA Case No. 10033

Page 3 of 9

UIP AB and not petitioner UIPA, and that the SEC Certificate of License, attached as Annex "A" in the instant petition, was in the name of Cinema International Corporation Aktiebolag (CICA) and not in the name of petitioner UIPA.

On May 8, 2019, the parties were directed¹³ to submit their respective Pre-Trial Briefs which were both submitted on May 31, 2019.¹⁴ In respondent's Pre-Trial Brief, he manifested that he will not present any witnesses or documentary evidence.

On June 6, 2019, the Pre-Trial Conference on the instant case was conducted and the parties were directed to submit a Joint Stipulation of Facts and Issues (JSFI).

On June 21, 2019, the parties filed their JSFI¹⁵, hence, this Court issued the Pre-Trial Order¹⁶ on September 5, 2019. However, petitioner filed a *Motion to Amend Pre-Trial Order and for Leave to Present Renz Jeffrey A. Ruiz as Witness* on September 20, 2019 which was granted during the initial presentation of petitioner's witness on September 24, 2019.¹⁷

On September 27, 2019, the Court issued a Resolution regarding the jurisdiction of the Court as raised during the pre-trial conference.¹⁸

After petitioner UIPA presented its witnesses and evidence, it posted its *Ad Cautelam Formal Offer of Evidence*¹⁹ on December 26, 2019 while respondent filed his *Comment/Opposition (To Petitioner's Ad Cautelam Formal Offer of Evidence)*²⁰ on January 23, 2020.

Petitioner UIPA filed a *Supplemental Formal Offer of Evidence*²¹ on December 1, 2020 after the Court granted²² the

¹³ Docket, Vol. I, Notice of Pre-Trial Conference, pp. 79-80.

¹⁴ *Id.*, Vol. I, petitioner's Pre-Trial Brief, pp. 83-90; Docket, Vol. I, Respondent's Pre-Trial Brief, pp. 133-136.

¹⁵ *Id.*, Vol. I, JSFI, pp. 157-160.

¹⁶ *Id.*, Vol. I, pp. 187-192.

¹⁷ *Id.*, Vol. I, Minutes of the Hearing dated September 24, 2019, pp. 305-306.

¹⁸ *Id.*, Vol. I, Resolution dated September 27, 2019, pp. 314-319.

¹⁹ *Id.*, Vol. II, pp. 589-596.

²⁰ *Id.*, Vol. II, pp. 713-715.

²¹ *Id.*, Vol. II, pp. 862-868.

²² *Id.*, Vol. II, Resolution dated July 1, 2020, pp. 724-728. 

recall of its witness and the marking²³ of its evidence in a Commissioner's Hearing. However, respondent did not file any comment thereof.²⁴

Except for Exhibits "P-1", "P-2", "P-8", and "P-9", all other exhibits offered by petitioner were admitted by the Court.²⁵ Thus, petitioner UIPA filed a *Motion for Partial Reconsideration*²⁶ praying that the denied exhibits be admitted. However, the Court admitted only Exhibits "P-1" and "P-2".²⁷

In Resolution dated February 22, 2021, this Court directed the parties to submit their respective memoranda. Petitioner UIPA filed its *Memorandum*²⁸ on May 21, 2021 while respondent did not file his memorandum.²⁹

Thus, the case was submitted for decision on July 19, 2021.³⁰

ISSUE

Whether or not petitioner UIPA in the instant case is entitled to the revival of judgment in the Court of Tax Appeals Decision and Supreme Court Resolution, which ordered respondent CIR to refund or issue a tax credit certificate to UIP AB in the amount of Php6,285,892.05.³¹

Petitioner's Arguments³²

Petitioner argues that the CTA Decision is a final and executory judgment which remains unexecuted, and which should be revived, because the instant petition was timely filed.

²³ *Id.*, Vol. II, Commissioner's Report (On Exhibits Marked) Hearing on November 24, 2020, pp. 858-860.

²⁴ Docket, Vol. III, Records Verification dated January 5, 2021, p. 972.

²⁵ *Id.*, Vol. III, Resolution dated February 22, 2021, pp. 977-978.

²⁶ *Id.*, Vol. III, pp. 979-985.

²⁷ *Id.*, Vol. III, Resolution dated July 19, 2021, pp. 1099-1100.

²⁸ *Id.*, Vol. III, pp. 1076-1093.

²⁹ *Id.*, Vol. III, Records Verification dated June 18, 2021, p. 1095.

³⁰ *Supra*, Note 27.

³¹ *Id.*, Vol. I, Pre-Trial Order, p. 188.

³² *Supra*, Note 29. 

Respondent's Arguments³³

Respondent, on the other hand, argues that the petitioner in the Supreme Court (SC) case under G.R. No. 169565 to whom the Resolution dated January 21, 2009 was favorably issued was UIP AB and not UIPA, and that the SEC Certificate of License, attached as Annex "A" in the instant petition, was in the name of CICA and not in the name of UIPA.

RULING OF THE COURT

Considering that a resolution³⁴ was already passed confirming the jurisdiction of this Court on the instant petition and the timely filing of the latter on February 22, 2019, the Court shall no longer discuss this matter.

Now proceeding to the main issue, the Court rules in the negative.

*Petitioner UIPA failed to establish
that it is petitioner UIP AB in CTA
Case No. 6027*

Respondent CIR argues that the SC Resolution dated January 21, 2009 was favorably issued to UIP AB and not to petitioner UIPA.

Section 2, Rule 3 of the Rules of Court defines a real party in interest as follows:

"RULE 3 Parties to Civil Actions

xxx xxx xxx

Section 2. *Parties in interest.* -A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, **every action must be prosecuted or defended in the name of the real party in interest.** (*Underscore supplied*)

³³ *Supra*, Note 12.

³⁴ Resolution date September 27, 2019, *Supra*, Note 18. *am*

DECISION

CTA Case No. 10033

Page 6 of 9

A real party-in-interest is one with "a present substantial interest" which means such interest of a party in the subject matter of the action as will entitle him, under the substantive law, to recover if the evidence is sufficient, or that he has the legal title to demand.³⁵ It is a real or present substantial interest as distinguished from a mere expectancy, or a future, contingent, subordinate, or consequential interest.³⁶

As a general rule, one who has no right or interest to protect cannot invoke the jurisdiction of the court as party-plaintiff in an action.³⁷

Petitioner UIPA's Exhibit "P-3" or the CTA Decision dated June 4, 2001 reveals that the petitioner therein is UIP AB.

Petitioner UIPA alleged³⁸ in the instant petition that it is the Philippine Branch of UIP AB and in proving such, petitioner presented the following pieces of evidence:

1. Exhibit "P-1" – License No. 576 issued by SEC, showing the registration and license of CICA to engage in the business of acquiring and leasing motion pictures and other activity compatible therewith in the Philippines, and that said license was issued by the SEC on August 27, 1971;
2. Exhibit "P-2" – SEC Certificate of Filing of Amended Articles of Incorporation of a Foreign Corporation issued on December 7, 1990, showing UIPA's filing of its amended Articles of Incorporation on November 13, 1990;
3. Exhibit "P-12" – SEC Certificate of Filing of Change of Name of a Foreign Corporation, showing the change of CICA's corporate name to UIPA on June 30, 1982.

What was established in the abovementioned pieces of evidence is that CICA has changed its corporate name to UIPA.

³⁵ *Eduardo L. Rayo v. Metropolitan Bank and Trust Company, et al.*, G.R. No. 165142, December 10, 2007.

³⁶ *Mayor Rhustom L. Dagadag v. Michael C. Tongnawa, et. al.*, G.R. Nos. 161166-67, February 03, 2005

³⁷ *Id.*

³⁸ Docket, Vol. I, Petition for Revival of Judgment, p. 10. 

There was no empirical evidence, however, that would link petitioner UIPA to UIP AB as its Philippine Branch.

As aptly held in the earlier CTA case³⁹ involving similar parties and subject matter, we hereby quote, in part:

“Exhibit "P-1" merely establishes the fact that a certain "Cinema International Corporation Aktiebolag", a corporation organized and existing under the laws of Sweden, was granted a license to engage in the business of acquiring and leasing motion pictures and other activity compatible therewith in the Philippines, and that said license was issued by the SEC on August 27, 1971. On the other hand, Exhibit "P-2" only proves that UIP Aktiebolag filed with the SEC on November 13, 1990 an Amended Articles of Incorporation and that Exhibit "P-2" was issued by the SEC on December 7, 1990. While both Exhibits "P-1" and "P-2" bear the same license number, that is, S.E.C. Reg. No. 576, both are bereft of any indication of UIP Aktiebolag's relation with UIP AB or that UIP Aktiebolag and UIP AB are one and the same entity.”

In other words, evidence is wanting that would prove that petitioner UIPA and UIP AB are one and the same entity. While petitioner UIPA and UIP AB may be related as both have the phrase, "United International Pictures," affixed in their corporate names, it is not sufficient and substantive enough to convince this Court that they are one and the same corporation.

Verily, it should be noted that a corporation is invested by law with a personality separate and distinct from those composing it as well as from that of any other legal entities or persons to which it may be related, as held in *ARB Construction Co., Inc., et al. v. Court of Appeals et. al.*⁴⁰

Moreover, a party having no material interest cannot invoke the jurisdiction of the court and when a plaintiff or a petitioner, for that matter, is not a real party in interest, the case is dismissible for lack of cause of action as held in *Andy Ang vs. Severino Pacunio, et al.*,⁴¹ to wit:

“... One having no material interest cannot invoke the jurisdiction of the court as the plaintiff in an action. **When**

³⁹ CTA Case No. 9930 dated March 15, 2022.

⁴⁰ G.R. No. 126554, May 31, 2000.

⁴¹ G.R. No. 208928, July 8, 2015. 

DECISION

CTA Case No. 10033

Page 8 of 9

the plaintiff is not the real party in interest, the case is dismissible on the ground of lack of cause of action. In *Spouses Oco v. Limbaring*, the Court expounded on the purpose of this rule, to wit: Necessarily, the purposes of this provision are 1) to prevent the prosecution of actions by persons without any right, title or interest in the case; 2) to require that the actual party entitled to legal relief be the one to prosecute the action; 3) to avoid multiplicity of suits; and 4) discourage litigation and keep it within certain bounds, pursuant to public policy.”

Thus, petitioner UIPA, falling short of the evidentiary requirements to establish its material interest in the case, is not the proper party to institute the instant petition.

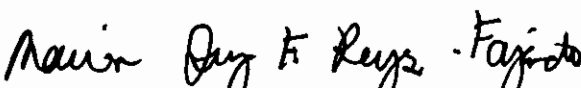
WHEREFORE, premises considered, the *Petition for Revival of Judgment* filed by petitioner UIPA on February 22, 2019 is hereby **DISMISSED** for lack of cause of action.

SO ORDERED.


CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:


ROMAN G. DEL ROSARIO
Presiding Justice


MARIAN IVY F. REYES-FAJARDO
Associate Justice

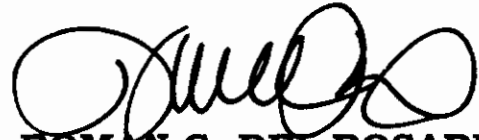
DECISION

CTA Case No. 10033

Page 9 of 9

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

A handwritten signature in black ink, appearing to read 'Roman G. Del Rosario', with a large, stylized initial 'R'.

ROMAN G. DEL ROSARIO

Presiding Justice