



06 APR 7 P 1:40

Republic of the Philippines
Department of Finance
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City Metro Manila
Philippines

In the matter of:

LEGRAND GLOBAL LINK, INC.

SEC Admin. Case No. 04-05-81
(CED Case No. 05-2824)

X-----X

ORDER

Submitted for resolution is the Petition for the Revocation of the Certificate of Registration of **LEGRAND GLOBAL LINK, INC.** ("Legrand", for brevity) filed by the Compliance and Enforcement Department ("CED") on 15 April 2005.

The above-entitled petition was an off-shoot of the following antecedents:

On 13 June 2001, the Commission, in SEC Case No. 08-96-5422 entitled " **LEGRAND, S.A. vs. LEGRAND GLOBAL LINK, INC.**", rendered a Decision ("Decision") ordering Legrand to amend its Articles of Incorporation to exclude the word "**LEGRAND**" from its corporate name. The decretal portion of the decision reads:

"WHEREFORE, foregoing premises considered, Respondent is hereby ordered to amend[ed] its Articles of Incorporation to exclude the word "**LEGRAND**" from its corporate name.

SO ORDERED."

Legrand moved for a reconsideration or new trial of the Decision. However, the same was denied by the Commission in an Order dated

6 August 2001. Consequently, it appealed the aforementioned decision to the Court of Appeals.

On 22 November 2002, the appellate court rendered a decision affirming the SEC's Decision. The motion for reconsideration of the same was likewise denied.

Thereafter, Legrand filed a petition for review on certiorari of the appellate court's decision before the Supreme Court. The case was docketed as G.R. No. 157413 entitled "Legrand Global Link, Inc. vs. Legrand, S. A.". However, on 28 July 2003, the Supreme Court issued a resolution denying the petition for review. Undaunted, Legrand filed a motion for reconsideration, which was also denied by the High Court. A second motion for reconsideration was likewise denied.

On **16 February 2004**, the resolution of the Supreme Court denying Legrand's petition for review became final and executory.

Then, Legrand, S. A. filed a motion for a writ of execution. The Commission issued the corresponding Writ of Execution on 11 May 2004. In the absence of a resident sheriff therein, the Commission enlisted the aid of the Regional Trial Court of Manila to execute the 13 June 2001 Decision.

On 19 July 2004, Sheriff Luis Alina, the Sheriff designated by the Executive Judge of the RTC of Manila, submitted to the Commission his Sheriff's Return of Writ of Execution wherein he stated that Legrand did not delete the name "LEGRAND" from its corporate name despite the ten-day grace period given to the latter, within which to comply with the SEC's Decision. No such proof or evidence of compliance was presented by Legrand.

Due to the continuous refusal and failure of Legrand to comply with the Decision, Legrand, S. A. filed a Motion to Revoke Certificate of Registration. For its part, Legrand filed a Manifestation with Motion seeking to be allowed to file amended Articles of Incorporation using the name "Le Grand Global Link, Inc." and questioning the imposition of penalties by the SEC Company Registration and Monitoring Department (CRMD) for its violation of the rules and regulations on reportorial requirements.

In an Order dated 16 November 2004 ("the Order"), the Commission, through the General Counsel, denied Legrand, S. A.'s Motion to Revoke Certificate of Registration as well as Legrand's

Manifestation with Motion. The latter, however, was given certain directives, to wit:

“WHEREFORE, premises considered, the instant Motions are DENIED. Accordingly, respondent is directed to:

1. Pay the penalties imposed on it by CRMD;
2. Change its existing corporate name and to adopt other name which is not confusingly similar to complainant’s corporate name but not the name “Le Grand Global Link, Inc.”

Further, respondent is ordered to file its compliance with the foregoing directive within fifteen (15) days from receipt of this Order.”

Legrand moved for a reconsideration of the 16 November 2004 Order. The Commission, in an Order dated 23 December 2004, denied the same and directed respondent to immediately comply with the above-stated Order.

The investigation against Legrand was prompted by a letter filed with petitioner CED on 8 March 2005 by Atty. Redentor C. Zapata of QUASHA ANCHETA PEÑA & NOLASCO, on behalf of his client Legrand, S. A.. In his letter, Atty. Zapata requested that appropriate sanctions be imposed on Legrand, including but not limited to the revocation of its corporate registration, for its continuous refusal and failure to comply with the Commission’s **Order** dated 16 November 2004 and the **Decision** dated 13 June 2001.

On 29 March 2005, CED sent a show cause letter to Legrand giving the latter one last chance to comply with the Order within a period of ten (10) days from receipt thereof before the CED commences the revocation proceedings on the ground of its failure to comply with the lawful order of the Commission.

However, instead of complying with the Order, Legrand’s counsel Atty. Hermo E. Pepino replied, in a letter dated 6 April 2005, that there is no basis for exacting compliance. He argued that the 16 November 2004 Order is non-existent being the subject of a criminal complaint filed with the Office of the Ombudsman against General Counsel Vernetta G. Umali-Paco.

To date, CRMD has neither received from Legrand payment of the assessed penalties nor its amended Articles of Incorporation excluding the word “LEGRAND” from its corporate name.

Hence, this petition.

Petitioner CED believes that the persistent failure of Legrand to act in accordance with the lawful Order of the Commission dated 16 November 2004 which had become final and executory warrants the revocation of its Certificate of Registration.

Legrand, however, by way of Manifestation with Motion to Dismiss, contends that the filing of the petition for revocation of corporate franchise is in retaliation for the Criminal/Administrative Complaint it filed against the General Counsel for issuing a falsified Order.

The Commission is not convinced by the arguments of Legrand.

By arguing that the Order, subject of the complaint against the General Counsel is falsified, Legrand in effect raises once more the issue of whether its corporate name bearing the word "LEGRAND" is deceptively or confusingly similar with that of Legrand S. A.. But such issue had already been resolved in the **13 June 2001 Decision** which was affirmed, first, by the Court of Appeals and second, by the Supreme Court. It is a fundamental rule of procedure that once a judgment becomes final, all the issues between the parties are deemed resolved and laid to rest. We find instructive the case of *Dapar vs. Biascan*,¹ where the High Court held:

" Nothing is more settled in law that once a judgment attains finality it thereby becomes immutable and unalterable. It may no longer be modified in any respect, even if the modification is to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land. *Just as the losing party has the right to file an appeal within the prescribed period, the winning party also has the correlative right to enjoy the finality of the resolution of his case. xxx*"
(Emphasis supplied)

As can be gleaned from the facts, the filing of the administrative case in the Ombudsman is nothing but a last-ditch effort to frustrate once again the **Order** issued by the Commission. Legrand argued that the Order was falsified for having been issued by the General Counsel and not by the Commission, contrary to the rules. As pointed out by CED, the

¹ Zenaida F. Dapar alias Zenaida D. Biascan vs. Gloria Lozano Biascan and Mario Biascan, G.R. No. 141880, September 27, 2004.

Order is valid, having been issued by the General Counsel in behalf of the Commission by virtue of **Rule 4 (6) of the Amended Implementing Rules and Regulations of the Securities Regulation Code**. The rule allows the delegation of any of the Commission's functions, for purposes of efficiency, to any department or office of the Commission except its review or appellate authority and its power to adopt, alter and supplement any rule or regulation.

As earlier noted, the same issues raised and involved herein are substantially and principally the same ones raised in the **Order dated 16 November 2004** and those decided with finality in **13 June 2001 Decision**. From the time the decision was rendered, there were various pleadings filed which were primarily intended to relitigate a settled issue. Verily, respondent unduly delayed the execution of a final and executory decision, with the objective of prolonging the use of "LEGRAND" as its corporate name to the detriment and prejudice of the aggrieved party, Legrand, S. A..

With evident obduracy, Legrand unjustifiably failed and deliberately refused, and still fails and refuses, to obey and comply with the lawful order and decision of the Commission. Its continued defiance already borders on insolence which we cannot allow to pass without the corresponding sanction. Hence, we shall discharge our task pursuant to Section 6 (i) 1 of P. D. 902-A, as amended, which provides that the Commission has the power:

"xxx xxx xxx

To **suspend, or revoke**, after proper notice and hearing, the franchise or certificate of registration of corporations, partnerships or associations, upon any of the following grounds provided by law, including the following:

1. xxx xxx xxx
2. xxx xxx xxx
3. **Refusal to comply or defiance of any lawful order of the Commission restraining commission of acts which would amount to a grave violation of its franchise;**
4. xxx xxx xxx".

WHEREFORE, in view of the foregoing, the certificate of registration of Legrand Global Link, Inc. with SEC Registration No. ASO92003643 is hereby **REVOKED**.

Let a copy of this Order be furnished the Company Registration and Monitoring Department for appropriate action.


SO ORDERED.

Mandaluyong City, 30 March 2006.


JE B. BARIN
Chairperson


MA. JUANITA E. CUETO
Commissioner


JESUS ENRIQUE G. MARTINEZ
Commissioner


RAUL J. PALABRICA
Commissioner