PHILIPPINE REPORTS

VOL. 879

JULY 29, 2020 - AUGUST 26, 2020

VOLUME 879

REPORTS ON CASES

DECIDED BY THE

SUPREME COURT

OF THE

PHILIPPINES

FOR THE PERIOD

JULY 29, 2020 - AUGUST 26, 2020

Prepared
by

The Office of the Reporter
Supreme Court
Manila
2023

ANNALIZA S. TY-CAPACITE
DEPUTY CLERK OF COURT AND REPORTER

FLOYD JONATHAN L. TELAN
SC ASSISTANT CHIEF OF OFFICE

MA. VICTORIA JAVIER-IGNACIO
COURT ATTORNEY VI & CHIEF, LAW REPORTS DIVISION

JOSE ANTONIO C. BELLO
COURT ATTORNEY VI & CHIEF, RECORDS DIVISION

LEUWELYN TECSON-LAT
COURT ATTORNEY V

ROSALYN O. GUMANGAN
COURT ATTORNEY V

FLORDELIZA DELA CRUZ-EVANGELISTA
COURT ATTORNEY V

FREDERICK I. ANCIANO
COURT ATTORNEY IV

MA. CHRISTINA G. CASTILLO
COURT ATTORNEY IV & CHIEF, EDITORIAL DIVISION

LORELEI S. BAUTISTA
COURT ATTORNEY IV

ROUSE STEPHEN G. CEBREROS
COURT ATTORNEY IV

SARAH FAYE Q. BABOR
COURT ATTORNEY IV

GERARD P. SARINO
COURT ATTORNEY II

SUPREME COURT OF THE PHILIPPINES

(as of April 2023)

HON. ALEXANDER G. GESMUNDO, Chief Justice
HON. MARVIC MARIO VICTOR F. LEONEN, Senior Associate Justice
HON. ALFREDO BENJAMIN S. CAGUIOA, Associate Justice
HON. RAMON PAUL L. HERNANDO, Associate Justice
HON. AMY C. LAZARO-JAVIER, Associate Justice
HON. HENRI JEAN PAUL B. INTING, Associate Justice
HON. RODIL V. ZALAMEDA, Associate Justice
HON. MARIO V. LOPEZ, Associate Justice
HON. SAMUEL H. GAERLAN, Associate Justice
HON. RICARDO R. ROSARIO, Associate Justice
HON. JHOSEP Y. LOPEZ, Associate Justice
HON. JAPAR B. DIMAAMPAO, Associate Justice
HON. JOSE MIDAS P. MARQUEZ, Associate Justice
HON. ANTONIO T. KHO, JR., Associate Justice
HON. MARIA FILOMENA D. SINGH, Associate Justice

ATTY. MARIFE LOMIBAO-CUEVAS, Clerk of Court En Banc

SUPREME COURT OF THE PHILIPPINES
(as of July-August 2020)

HON. DIOSDADO M. PERALTA, Chief Justice
HON. ESTELA M. PERLAS-BERNABE, Senior Associate Justice
HON. MARVIC MARIO VICTOR F. LEONEN, Associate Justice
HON. ALFREDO BENJAMIN S. CAGUIOA, Associate Justice
HON. ALEXANDER G. GESMUNDO, Associate Justice
HON. JOSE C. REYES, JR., Associate Justice
HON. RAMON PAUL L. HERNANDO, Associate Justice
HON. ROSMARI D. CARANDANG, Associate Justice
HON. AMY C. LAZARO-JAVIER, Associate Justice
HON. HENRI JEAN PAUL B. INTING, Associate Justice
HON. RODIL V. ZALAMEDA, Associate Justice
HON. MARIO V. LOPEZ, Associate Justice
HON. EDGARDO L. DE LOS SANTOS, Associate Justice
HON. SAMUEL H. GAERLAN, Associate Justice
HON. PRISCILLA BALTAZAR-PADILLA, Associate Justice

ATTY. EDGAR O. ARICHETA, Clerk of Court En Banc
ATTY. ANNA-LI R. PAPA-GOMBIO, Deputy Clerk of Court En Banc

FIRST DIVISION

Chairperson

Hon. Diosdado M. Peralta

Members

Hon. Alfredo Benjamin S. Caguioa
Hon. Jose C. Reyes, Jr.
Hon. Amy C. Lazaro-Javier
Hon. Mario V. Lopez

Division Clerk of Court

Atty. Librada C. Buena

SECOND DIVISION

Chairperson

Hon. Estela M. Perlas-Bernabe

Members

Hon. Ramon Paul L. Hernando
Hon. Henri Jean Paul B. Inting
Hon. Edgardo L. Delos Santos
Hon. Priscilla Baltazar-Padilla

Division Clerk of Court
Atty. Ma. Lourdes C. Perfecto

THIRD DIVISION

Chairperson

Hon. Marvic Mario Victor F. Leonen

Members

Hon. Alexander G. Gesmundo
Hon. Rosmari D. Carandang
Hon. Rodil V. Zalameda
Hon. Samuel H. Gaerlan

Division Clerk of Court
Atty. Wilfredo Y. Lapitan

PHILIPPINE REPORTS

CONTENTS

I. CASES REPORTED xiii

II. TEXT OF DECISIONS 1

III. SUBJECT INDEX 805

IV. CITATIONS 863

PHILIPPINE REPORTS

Page

Ablong, et al., Delilah *vs.*
Commission on Audit 121-122
ABS-CBN Corporation *vs.* National
Telecommunications Corporation 507
Alliance of Non-Life Insurance Workers of the
Philippines, represented by Jubert Maun as
President, et al. *vs.* Hon. Leandro R. Mendoza,
as secretary, Department of Transportation and
Communications, et al. 574
Alliance of Non-Life Insurance Workers of the
Philippines, represented by Jubert Maun as
President, et al. *vs.* Stradcom Corporation 574
Anonymous Complaint Against Clerk of Court V
Atty. Zenalfie M. Cuenco, Court Interpreter
Christian V. Cabanilla, Court Stenographers
Filipinas M. Yabut and Siony P. Abcede,
and Locally-Funded Employee Aleli De Guzman,
all of the Regional Trial Court, Branch 72,
Malabon City, and Officer Vanissa L. Asis
of the Philippine Mediation Center 73
Arellaga *y* Sabado, Johnny –
People of the Philippines *vs.* 396
ASB Realty Corporation, represented by
Elena F. Felipe *vs.* Policarpio L. Espenesin,
Registrar, Register of Deeds of Pasig City 164
ATR Professional Life Assurance Corporation
(now Asian Life and General Assurance
Corporation) – Loyola Life Plans Incorporated
(now Loyola Plans Consolidated Inc.), et al. *vs.* 695-696
ATR Professional Life Assurance Corporation
(now Asian Life and General Assurance
Corporation) *vs.* Loyola Life Plans Incorporated
(now Loyola Plans Consolidated Inc.), et al. 696
Balolong, et al., Spouses Francis and Minda –
Ceferino Bautista (substituted by his son
and legal representative, Philip De Vera
Bautista), et al. *vs.* 53

Page

Bautista, Ceferino (substituted by his son and legal representative, Philip De Vera Bautista), et al. *vs*. Spouses Francis and Minda Balolong, et al. 53
Bayview Management Consultants, Inc., et al. *vs*. Pedrita Heloisa B. Pre 176
Bernal, Russell Q., in his capacity as the Authorized Managing Officer of Ciara Construction/Berson Construction & Trading (a Joint Venture) *vs*. Hon. Felipe M. De Leon, Jr., in his capacity as Chairman of the National Commission for Culture and the Arts (NCAA), et al. 10
Cabigas, et al., Queen Rose T. – Elizabeth B. Ramos, et al. *vs*. 132
Calma, Jeffrey M. *vs*. Mari Kris Santos-Calma 427
Carpio, et al., Armando C. – Unirock Corporation, as represented by Edison U. Ojerio *vs*. 326
Catabas, Heirs of Antero – Apolinario Valdez, et al. *vs*. 275
Cataquiz, et al., Eulogia N. – Home Development Mutual Fund (HDMF) *vs*. 1
Commission on Audit – Delilah Ablong, et al. *vs*. 121-122
Commissioner of Internal Revenue *vs*. T Shuttle Services, Inc. 409
Corcoro, Jr., Alfredo Ani *vs*. Magsaysay Mol Marine, Inc., et al. 369
Daguman *y* Asierto, *alias* "Mark", Raymark – People of the Philippines *vs*. 670
De La Cruz, Janina, as Attorney-in-fact of Corazon Kang Ignacio *vs*. Atty. Monte P. Ignacio 493
De Leon, Jr., Hon. Felipe M., in his capacity as Chairman of the National Commission for Culture and the Arts (NCAA), et al. – Russell Q. Bernal, in his capacity as the Authorized Managing Officer of Ciara Construction/Berson Construction & Trading (a Joint Venture) *vs*. 10

Page

Delos Santos, PO1 Carlo B. *vs.*
Floranton V. Ontog 385
Delos Santos, PO1 Carlo B. *vs.*
People of the Philippines, et al. 385
Eastern Overseas Employment Center, Inc.,
et al. *vs.* Heirs of the Deceased Nomer P. Odulio,
represented by his wife, May Imbag Odulio 42
Eleazar, et al., Eloisa M. *vs.* Office of the
Ombudsman, et al. 360
Esguerra, Emiliana J., substituted by her
Heirs *vs.* Spouses Teofilo Ignacio and
Julita V. Ignacio, et al. 655
Espenesin, Policarpio L., Registrar, Register
of Deeds of Pasig City – ASB Realty Corporation,
represented by Elena F. Felipe *vs.* 164
Evardone, Jonathan Juarizo –
People of the Philippines *vs.* 467
Gabelo, et al., Visitacion – Antonio G. Ngo *vs.* 313
Gamboa, Spouses Guadalupe M. and
Trinidad Caballero – Heirs of Pedro
and Pacita Ronquillo, represented by
Belen B. Ortiz, et al. 207-208
Garcia, Spouses Roberto and Beatriz *vs.*
Spouses Arnel and Cricela Soriano 342
Gomez, Rosario A. – San Miguel Corporation *vs.* 264
Gotesco Properties, Inc. *vs.* International
Exchange Bank (now Union Bank
of the Philippines) 636
HHH – People of the Philippines *vs.* 773
Home Development Mutual Fund (HDMF) *vs.*
Eulogia N. Cataquiz, et al. 1
Ignacio, Atty. Monte P. – Janina De La Cruz as
Attorney-in-fact of Corazon Kang Ignacio *vs.* 493
Ignacio, Atty. Monte P. – Corazon Kang Ignacio *vs.* 493
Ignacio, Corazon Kang *vs.* Atty. Monte P. Ignacio 493
Ignacio, et al., Spouses Teofilo and Julita V. –
Emiliana J. Esguerra, substituted by her Heirs *vs.* 655
Ignacio, Julita – Heirs of Regina Panganiban,
represented by: Dominador Panganiban, Jr. *vs.* 655

Page

International Exchange Bank (now Union Bank of the Philippines) – Gotesco Properties, Inc. *vs*. 636
Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), et al. *vs*. ATR Professional Life Assurance Corporation (now Asian Life and General Assurance Corporation) 695-696
Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), et al. – ATR Professional Life Assurance Corporation (now Asian Life and General Assurance Corporation) *vs*. 696
Magsaysay Mol Marine, Inc., et al. – Alfredo Ani Corcoro, Jr. *vs*. 369
Manlolo *y* Gante, Joseph – People of the Philippines *vs*. 190
Martinez, Joseph – OSG Ship Management Manila, Inc. (substituted by Pacific Ocean Manning, Inc.), et al. *vs*. 29
Martinez, Joseph *vs*. OSG Ship Management Manila, Inc. (substituted by Pacific Ocean Manning, Inc.), et al. 28
Mendoza, Hon. Leandro R., as secretary, Department of Transportation and Communications, et al. – Alliance of Non-Life Insurance Workers of the Philippines, represented by Jubert Maun as President, et al. *vs*. 574
National Commission on Indigenous Peoples (NCIP), et al. – Elizabeth B. Ramos, et al. *vs*. 132
National Telecommunications Corporation – ABS-CBN Corporation *vs*. 507
Ngo, Antonio G. *vs*. Visitacion Gabelo, et al. 313
Nolasco, Jr., Narciso R. – Pryce Properties Corp. (now Pryce Corporation) *vs*. 292
Odulio, Heirs of the Deceased Nomer P., represented by his wife, May Imbag Odulio – Eastern Overseas Employment Center, Inc., et al. *vs*. 42

Page

Office of the Ombudsman, et al. –
Eloisa M. Eleazar, et al. *vs.* 360
Ontog, Floranton V. – PO1 Carlo B.
Delos Santos *vs.* 385
OSG Ship Management Manila, Inc.
(substituted by Pacific Ocean Manning,
Inc.), et al. – Joseph Martinez 28
OSG Ship Management Manila, Inc.
(substituted by Pacific Ocean Manning,
Inc.), et al. *vs.* Joseph Martinez 29
Palafox, Janolino "Noli" C., represented
by his attorney-in-fact, Efrain B. Orodio
vs. Ms. Christine B. Wangdali, et al. 19
Panganiban, Heirs of Regina, represented by:
Dominador Panganiban, Jr. *vs.* Julita Ignacio 655
People of the Philippines –
Carlu Alfonso Realiza *vs.* 724
People of the Philippines – Robert
Plan, Jr. *y* Beloncio @ "Jun", et al. *vs* 453
People of the Philippines *vs.*
Johnny Arellaga *y* Sabado 396
Raymark Daguman *y* Asierto, *alias* "Mark" 670
Jonathan Juarizo Evardone 467
HHH 773
Joseph Manlolo *y* Gante 190
Felimon Serafin *y* Vinegas 65
XXX 736
XYZ 752
People of the Philippines, et al. –
PO1 Carlo B. Delos Santos *vs.* 385
Plan, Jr. *y* Beloncio @ "Jun", et al., Robert *vs.*
People of the Philippines 453
Pre, Pedrita Heloisa B. – Bayview Management
Consultants, Inc., et al. *vs.* 176
Pryce Properties Corp. (now Pryce Corporation)
vs. Narciso R. Nolasco, Jr. 292
Ramos, et al., Elizabeth B. *vs.*
Queen Rose T. Cabigas, et al. 132

Page

Ramos, et al., Elizabeth B. *vs.* National
Commission on Indigenous Peoples (NCIP), et al. 132
Realiza, Carlu Alfonso *vs.* People of the Philippines 724
Reyes, Jessica Lucila G. *vs.* The Honorable
Sandiganbayan Third Division, et al. 227
Ronquillo, Heirs of Pedro and Pacita,
represented by Belen B. Ortiz, et al. *vs.*
Spouses Guadalupe M. Gamboa and
Trinidad Caballero 207-208
San Miguel Corporation *vs.* Rosario A. Gomez 264
Santos-Calma, Mari Kris – Jeffrey M. Calma *vs.* 427
Serafin *y* Vinegas, Felimon –
People of the Philippines *vs.* 65
Soriano, Spouses Arnel and Cricela –
Spouses Roberto and Beatriz Garcia *vs.* 342
Stradcom Corporation – Alliance of Non-Life
Insurance Workers of the Philippines,
represented by Jubert Maun as President, et al. *vs.* 574
T Shuttle Services, Inc. – Commissioner
of Internal Revenue *vs.* 409
The Honorable Sandiganbayan Third Division, et al.
– Jessica Lucila G. Reyes *vs.* 227
Unirock Corporation, as represented by
Edison U. Ojerio *vs.* Armando C. Carpio, et al. 326
Valdez, et al., Apolinario *vs.*
Heirs of Antero Catabas 275
Wangdali, et al., Ms. Christine B. –
Jonolino "Noli" C. Palafox represented
by his attorney-in-fact, Efrain B. Orodio *vs.* 19
XXX – People of the Philippines *vs.* 736
XYZ – People of the Philippines *vs.* 752

REPORT OF CASES

DETERMINED IN THE

SUPREME COURT OF THE PHILIPPINES

SECOND DIVISION

[G.R. No. 210582. July 29, 2020]

HOME DEVELOPMENT MUTUAL FUND (HDMF), *petitioner*, *vs.* **EULOGIA N. CATAQUIZ and MANUEL P. CATAQUIZ,** *respondents*.

SYLLABUS

MERCANTILE LAW; INSURANCE; MORTGAGE REDEMPTION INSURANCE (MRI); UPON ISSUANCE OF A NOTICE OF APPROVAL/LETTER OF GUARANTY THE LOAN AND MORTGAGE AGREEMENT BETWEEN THE PARTIES TAKES EFFECT INCLUDING ITS PROVISIONS ON MRI COVERAGE.— It is worth noting that the execution of the Loan and Mortgage Agreement between Rudy and HDMF was signed before Notary Public Francis Arnold de Vera on March 14, 1998 or more than a month before Rudy's death. The Loan and Mortgage Agreement was even annotated on TCT No. T-296838 on March 17, 1998, or three days after the execution of the aforementioned Agreement. Paragraph 2 of the Notice of Approval/Letter of Guaranty even required the submission of the Loan and Mortgage Agreement duly stamped by the Register of Deeds, the TCT, and Tax Declaration registered in the name of Rudy, among others, pursuant to the loan approval which Rudy complied with. The MRI, being a compulsory part of the Loan and Mortgage Agreement, was in effect, already binding between Rudy and HDMF. Initial premium payment

for MRI was even deducted beforehand in the computation of the loan amount. Indeed, upon issuance of a Notice of Approval/ Letter of Guaranty, the Loan and Mortgage Agreement between HDMF and the borrower takes effect, including its provisions on MRI coverage.

APPEARANCES OF COUNSEL

Office of the Legal & General Counsel Group Legal Department for petitioner.
IBP Legal Aid Office for respondents.
Francis Arnold De Vera for F.M. Soriano Co., Inc.

R E S O L U T I O N

INTING, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] pursuant to Rule 45 of the Rules of Court filed by Home Development Mutual Fund (HDMF) seeking to reverse and set aside the Decision[2] dated July 4, 2013 and the Resolution[3] dated December 12, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 01967-MIN which affirmed with modification the Decision[4] dated June 27, 2006 of Branch 14 of the Regional Trial Court (RTC) of Davao City.

The Antecedents

On January 19, 1998, Rudy N. Cataquiz (Rudy) undertook a sales agreement and a construction contract with Francisco

---

[1] *Rollo*, pp. 24-60.

[2] *Id.* at 64-74; penned by Associate Justice Marie Christine Azcarraga-Jacob with Associate Justices Edgardo T. Lloren and Edward B. Contreras, concurring.

[3] *Id.* at 76-77; penned by Associate Justice Marie Christine Azcarraga-Jacob with Associate Justices Edgardo T. Lloren and Edward B. Contreras, concurring.

[4] *Id.* at 78-84; penned by Judge William M. Layague.

M. Soriano Co., Inc. (FMSCI) for the purchase of a lot consisting of 100 square meters located at Lot 11, Block 16, Phase II, Well-Spring Village, Catalunan Pequeño, Davao City in the amount of ₱70,000.00, and for the construction of a house thereon in the amount of ₱190,000.00.[5]

FMSCI is an HDMF-accredited developer of Well-Spring Village.[6] Thus, to finance the acquisition of the lot and the construction of the house, Rudy applied for a housing loan with HDMF and designated FMSCI as the beneficiary of the loan proceeds.[7] On March 12, 1998, HDMF issued a Notice of Approval/Letter of Guaranty to Rudy in the amount of ₱180,000.00.[8]

On March 14, 1998, Rudy entered into a Loan and Mortgage Agreement with HDMF for ₱188,500.00 for his lot purchase and house construction. The mortgage was annotated in Transfer Certificate of Title (TCT) No. T-296838 issued in the name of Rudy.[9]

On March 26, 1998, the construction of the house was completed which Rudy thereafter accepted. Several days later, or on April 19, 1998, Rudy died.[10]

As the only surviving heirs of Rudy, who are his parents, respondents Eulogia N. Cataquiz and Manuel P. Cataquiz (Spouses Cataquiz) requested for the release of the title over the subject property in their favor. However, HDMF refused on account of Rudy's failure to accept the loan during his lifetime.[11]

---

[5] *Id.* at 65-66.

[6] *Id.* at 65.

[7] *Id.* at 66.

[8] *Id.* at 81.

[9] *Id.* at 66.

[10] *Id.*

[11] *Id.*

Aggrieved, Spouses Cataquiz filed a complaint for specific performance and damages to compel HDMF and FMSCI to turn over to them the title and possession of the subject property.[12]

HDMF countered that the housing loan was not included in the loan accounts taken out on April 23, 1998 because of Rudy's failure to submit the required documents on time and his untimely demise on April 19, 1998.[13] It argued that, as a consequence, the loan was not covered by Mortgage Redemption Insurance (MRI) so that Spouses Cataquiz' claim for insurance proceeds including the member's death benefit could not be processed. It further contended that ownership and possession over the subject house and lot remained with FMSCI; hence, there is nothing for it to turn over to Spouses Cataquiz.[14]

On the other hand, FMSCI ratiocinated that the Mortgage Redemption Insurance Settlement of Rudy could not be processed since the latter's housing loan was not included among those that were taken out on April 23, 1998 because of Rudy's death on April 19, 1998.[15] It argued that for want of consideration in view of the non-release of the proceeds of the loan, the Sales Agreement and the Deed of Sale, together with the Deed of Assignment with Special Power of Attorney executed by Rudy in favor of FMSCI should be deemed as null and void.[16]

Ruling of the RTC

On June 27, 2006, Branch 14, RTC, Davao City rendered a Decision.[17] The dispositive portion of which is cited herein, to wit:

IN VIEW WHEREOF, judgment is hereby rendered for the plaintiffs and against the defendants, ordering:

---

[12] *Id.*

[13] *Id.* at 67.

[14] *Id.* at 82.

[15] *Id.* at 80.

[16] *Id.* at 80-81.

[17] *Id.* at 78-84.

1. Defendant HDMF to pay the plaintiffs the amount due as death benefits of their son, Rudy N. Cataquiz;

2. Defendant HDMF to turn over to the plaintiffs Transfer Certificate of Title No. T-296838, to cause the cancellation of the mortgage and to consider the loan obligation of Rudy N. Cataquiz as fully paid and extinguished by reason of his death;

3. Defendant FMSCI to turn over the possession of Lot No. 11, Block 16, Phase II, Well-Spring Village, Catalunan Pequeño, Davao City and the house constructed thereon to the plaintiffs; and

4. Both defendants, jointly and severally, to pay attorney's fees in the amount of THIRTY THOUSAND (₱30,000.00) PESOS and to pay the costs.

The cross-claims of defendant FMSCI against defendant HDMF cannot be granted for lack of factual and legal basis.

SO ORDERED.[18]

The RTC ruled that the legal problem which gave rise to the case was entirely due to the fault of HDMF for its failure to include the loan of Rudy in the list of loans for take out on April 23, 1998 despite Rudy's timely submission of the documentary requirements. In the same manner, it found FMSCI liable since it acted in bad faith when it caused the withdrawal of Rudy's loan application and the cancellation of the mortgage which the latter executed during his lifetime. It also declared FMSCI as negligent for its failure to follow-up on Rudy's loan application considering that, as a subdivision developer, it directly transacts with HDMF.

Ruling of the CA

On appeal, the CA ruled as follows:

WHEREFORE, the instant appeal is hereby DISMISSED for lack of merit. Accordingly, the *Decision dated 27 June 2006* of the RTC, Branch 14, Davao City, 11th Judicial Region, in *Civil Case No. 27,050-99*, is hereby AFFIRMED with MODIFICATION that plaintiffs-appellees Spouses Eulogia N. Cataquiz and Manuel P. Cataquiz are

---

[18] *Id.* at 84.

hereby DIRECTED to pay to the Home Development Mutual Fund (HDMF) the cost of the premium for coverage of the subject loan under the Mortgage Redemption Insurance.

SO ORDERED.[19]

The CA affirmed the findings of the RTC as it would not countenance HDMF's invocation of a mere technicality to renege on its obligation to Rudy. It equally shared the view of the RTC that Rudy, during his lifetime, complied with and performed all the requirements of FMSCI and HDMF; that he had, in fact, already been issued a notice of approval of his loan by HDMF; and that he had even accepted the fully constructed house from FMSCI.[20] According to the CA, to subscribe to HDMF's position that its denial was by reason of Rudy's death, which occurred prior to the lapse of the 15-day period allotted for the release of the loan, despite the timely submission of the documentary requirements, would be iniquitous as the inaction could not be attributable to the deceased person.[21]

With regard to the theory of HDMF that the loan was not covered by the MRI since the premium should be taken from the loan proceeds, the CA cited the *Serrano v. CA, et al.*[22] *(Serrano)* case which allowed the refund or payment of the unpaid premium by the heirs of the borrower in the event that the premium corresponding to the amount to be deducted from the first release of the loan was not paid by the deceased borrower.[23]

HDMF moved to reconsider the Decision, but the CA denied it in a Resolution[24] dated December 12, 2013.

---

[19] *Id.* at 74.

[20] *Id.* at 71.

[21] *Id.* at 72-73.

[22] 215 Phil. 292 (1984).

[23] *Rollo*, p. 73.

[24] *Id.* at 75-77.

Aggrieved by the CA's Decision, HDMF elevated the case to the Court *via* a Petition for Review on *Certiorari* and questions the CA's order upon the Spouses Cataquiz to pay insurance premiums to give effect to the MRI, when the reckoning period for MRI coverage is the loan takeout date and not the receipt of the notice of approval.[25] Moreover, HDMF highlights that, as a consequence of the death of Rudy before the release of the loan proceeds, the loan approval was cancelled which disqualified him from enrollment in the insurance pool considering that he was not a mortgagor in the real sense, having no outstanding liability yet to pay.[26] It further asserts that its obligation to release the loan proceeds was subject to a suspensive period expressly stated in the Notice of Approval/Letter of Guaranty and that it was not negligent nor at fault in the performance of its duty.[27]

Our Ruling

The petition is without merit. The Court finds no reversible error on the part of the CA which would merit the exercise of discretionary appellate jurisdiction.

It is worth noting that the execution of the Loan and Mortgage Agreement between Rudy and HDMF was signed before Notary Public Francis Arnold de Vera on March 14, 1998 or more than a month before Rudy's death. The Loan and Mortgage Agreement was even annotated on TCT No. T-296838 on March 17, 1998, or three days after the execution of the aforementioned Agreement. Paragraph 2 of the Notice of Approval/Letter of Guaranty even required the submission of the Loan and Mortgage Agreement duly stamped by the Register of Deeds, the TCT, and Tax Declaration registered in the name of Rudy, among others, pursuant to the loan approval[28] which Rudy complied with. The MRI, being a compulsory part of the Loan and

---

[25] *Id.* at 37.

[26] *Id.*

[27] *Id.*

[28] *Id.* at 41.

Mortgage Agreement, was in effect, already binding between Rudy and HDMF. Initial premium payment for MRI was even deducted beforehand in the computation of the loan amount.[29] Indeed, upon issuance of a Notice of Approval/Letter of Guaranty, the Loan and Mortgage Agreement between HDMF and the borrower takes effect, including its provisions on MRI coverage.

As correctly found by the CA, the lapse or completion of the 15-day period allotted to HDMF is not a requisite for the release of the loan proceeds.[30] The release of the loan proceeds is a duty imposed upon HDMF and not on the borrower, the performance of which is solely dependent on HDMF on account of Rudy's faithful and timely submission of the required documents before his untimely demise. Both the RTC and the CA similarly found HDMF and FMSCI negligent in the performance of their duties under the agreement, a factual determination which is beyond the ambit of the Court. Considering that a loan is a reciprocal obligation wherein the performance of the obligation of one party is dependent upon the performance of the obligation of the other,[31] the Court sees no reason to depart from this principle, especially when a perfected consensual contract to grant the loan was already executed, and the borrower had complied with his part of the obligation through the submission of the necessary documents.

Incidentally, even HDMF Circular Nos. 247-09,[32] 312-12,[33] 379-17,[34] and Pag-IBIG Fund Circular No. 403[35] recognize that

[29] *Id.* at 124.

[30] *Id.* at 72.

[31] *Sps. Ong, et al. v. BPI Family Savings Bank, Inc.,* 824 Phil. 439, 446 (2018), citing IV Tolentino, *The Civil Code of the Philippines*, p. 175 (1999).

[32] Guidelines on the Pag-IBIG Fund End-User Home Financing Program, HDMF Circular No. 247-09, April 15, 2009.

[33] Guidelines on the Pag-IBIG Fund Affordable Housing Program, HDMF Circular No. 312-12, July 2, 2012.

[34] Amended Guidelines on the Pag-IBIG Fund Affordable Housing Program, HDMF Circular No. 379-17, May 16, 2017.

[35] Modified Guidelines on the Pag-IBIG Fund Affordable Housing Program, Pag-IBIG Fund Circular No. 403, May 23, 2018.

it is not the release of the loan proceeds which determines the effectivity of MRI coverage as the issuances contain a common provision on MRI Interim Coverage which states that there is MRI Interim Coverage which shall take effect on the date of the issuance of the Notice of Approval/Letter of Guaranty by the Pag-IBIG Fund. The issuances are in line with the ruling of the Court in *Serrano* wherein the Court held that the MRI device is not only for the protection of the System (the SSS in that case), in the event of the unexpected demise of the mortgagor during the subsistence of the mortgage contract, since the proceeds from such insurance will be applied to the payment of the mortgage debt, thereby insuring the payment to itself of the loan with the insurance proceeds.[36] It is also for the benefit of the mortgagor so that in the event of his death, the mortgage obligation will be extinguished by the application of the insurance proceeds to the mortgage indebtedness.[37]

Veritably, to deny herein Spouses Cataquiz of the benefit of the MRI coverage would run counter to the very rationale of the insurance scheme. In the same manner, the creation of the Pag-IBIG Fund was pursuant to the state's policy of motivating the employed and other earning groups to better plan and provide for their housing needs as a social justice tool, with the end of improving their quality of life through sufficient shelter and housing through mobilization of funds for shelter finance.[38] *Serrano* even outlined a remedy in case the premium corresponding to the amount to be deducted from the first release of the loan was not paid: payment of the unpaid premium by the heirs of the borrower.

Hence, the Court sees no cogent reason to deviate from the findings of both the RTC and the CA.

---

[36] *Serrano v. CA, et al., supra* note 22 at 299.

[37] *Id.*

[38] Sections 2 and 3 of Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009 otherwise known as the Pag-IBIG Fund, passed by the Congress on June 1, 2009.

WHEREFORE, the petition is **DENIED**. The Decision dated July 4, 2013 and the Resolution dated December 12, 2013 of the Court of Appeals in CA-G.R. CV No. 01967-MIN are hereby **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, Delos Santos, and *Baltazar-Padilla, JJ.*, concur.

SECOND DIVISION

[G.R. No. 219792. July 29, 2020]

RUSSELL Q. BERNAL, in his capacity as the Authorized Managing Officer of Ciara Construction/Berson Construction & Trading (a Joint Venture), *petitioner*, *vs.* **HON. FELIPE M. DE LEON, JR., in his capacity as Chairman of the NATIONAL COMMISSION FOR CULTURE AND THE ARTS (NCCA), HON. ROGELIO L. SINGSON, in his capacity as Secretary of the Department of Public Works and Highways (DPWH), HON. MELANIO C. BRIOSOS, in his capacity as Regional Director of the Department of Public Works and Highways-Regional Office I, and MOST REV. RODOLFO BELTRAN, D.D., Bishop of La Union,** *respondents*.

SYLLABUS

REMEDIAL LAW; EXPEDITIOUS IMPLEMENTATION AND COMPLETION OF GOVERNMENT INFRASTRUCTURE PROJECTS (RA 8975); THE NATIONAL COMMISSION FOR CULTURE AND THE ARTS IS NOT A COURT AS

CONTEMPLATED BY RA 8975; ITS AUTHORITY TO ISSUE A CEASE AND DESIST ORDER IS BY VIRTUE OF THE NATIONAL CULTURAL HERITAGE ACT OF 2009 (RA 10066). — RA 8975 prohibits the issuance by all courts, other than the [Supreme] Court, of any temporary restraining orders, preliminary injunctions, or preliminary mandatory injunctions against national government projects. x x x The NCCA is not a court as contemplated by RA 8975. NCCA's authority to issue a CDO is by virtue of RA 10066.

APPEARANCES OF COUNSEL

Cariño & Partners Law Office for petitioner.
Rose Beatrix Cruz-Angeles for respondent NCCA.
Office of the Solicitor General for public respondents.

R E S O L U T I O N

INTING, *J.*:

Before the Court is a Petition[1] for *Certiorari* and Prohibition with Prayer for the Issuance of Temporary Restraining Order under Rule 65 under the Rules of Court against the Cease and Desist Order[2] (CDO) dated February 21, 2015 issued by the National Commission for Culture and the Arts (NCCA), through its Chairman Felipe M. De Leon, Jr. (Chairman De Leon), against the Department of Public Works and Highways (DPWH) enjoining the implementation of the road widening project (project), including demolition works along the national highway in the Municipality of Agoo, Province of La Union. The CDO states that the project will potentially affect presumed important cultural properties in the area and as such, it could not be undertaken without the coordination and concurrence of the NCCA and other pertinent cultural agencies, such as the National Museum or the National Historical Commission of the Philippines.

---

[1] *Rollo*, pp. 3-25.

[2] *Id.* at 29.

The Antecedents

In a Letter[3] dated April 4, 2014 addressed to the District Engineer, Office of the District Engineer, DPWH, La Union Second District Engineering Office, Acting Assistant District Engineer and Chief of the Maintenance Section, Raul P. Gali (Gali), submitted the following findings and observations:

1. The Basilica of Our Lady of Charity and Plaza de la Virgen are located along the right shoulder of Manila North Road right before and after the MNR—Agoo Beach Road intersection, respectively;
2. That the northern portion of the Basilica's plant boxes measures 9.40 meters from the centerline of the national road, while 8.50 meters on the opposite side;
3. That the northern portion of the plaza's concrete fence measures 6.90 meters from the centerline of the national road, while 9.80 meters on the opposite side;
4. That said fence hampers the smooth flow of traffic of northbound vehicles.[4]

Gali stated that the road section is included in the list of proposed road widening for fiscal year 2015 Infrastructure Program; and that the Basilica's plant boxes and concrete fence are within the 20-meter road right-of-way (20m RROW) which are considered obstructions under Section 23 of Presidential Decree No. (PD) 17.[5] Thus, District Engineer Leopoldo F. Mendoza (Mendoza) wrote a Letter[6] dated April 14, 2014 to Most Rev. Rodolfo F. Beltran, D.D. (Bishop Beltran) requesting for the voluntary removal/relocation of the portions of the structures that encroached the 20m RROW.

On May 23, 2014, Bishop Beltran wrote a Letter[7] addressed to DPWH Secretary Rogelio L. Singson (Secretary Singson)

---

[3] *Id.* at 50.

[4] *Id.*

[5] Revised Philippine Highway Act.

[6] *Rollo*, p. 49.

[7] *Id.* at 52-53.

requesting for reconsideration of the road widening. He cited the following: the improvement should not be at the expense of cultural heritage; bringing the highway closer to the structure would expose it to dangers and hasten its dilapidation; that the provision in DPWH Order No. 52, Series of 2003 stating that "it shall be unlawful for any person to usurp any portion of a right-of-way, to convert any part of any public highway, bridge, wharf or trail to his own private use or obstruct the same in any manner"[8] should not apply to a property of cultural value and heritage; and that "[o]ne cannot usurp or encroach on anything that has not been there yet when it started to exist."[9]

On even date, Bishop Beltran wrote another Letter[10] to Chairman De Leon of the NCCA opposing the road widening.

On June 13, 2014, Mendoza wrote another Letter[11] addressed to Bishop Beltran reiterating the request for voluntary removal/ relocation of the concrete fence; and giving the latter seven days from receipt within which to comply. Bishop Beltran replied in a Letter[12] dated June 20, 2014 requesting for an extension of time to comply, citing the ongoing talks between the DPWH and the NCCA.

On February 21, 2015, the NCCA issued the assailed CDO,[13] citing Section 5 (f) of Republic Act No. (RA) 10066.[14] It states:

> WHEREAS, Section 5(f) of Republic Act No. 10066, otherwise known as the National Cultural Heritage Act of 2009, as reiterated in Section 8.4 of its Implementing Rules and Regulations, has defined that all structure at least fifty (50) years old are considered/presumed Important Cultural Property and is entitled to protection against

---

[8] *Id.*

[9] *Id.*

[10] *Id.* at 54-55.

[11] *Id.* at 59.

[12] *Id.* at 60-61.

[13] *Id.* at 29.

[14] National Cultural Heritage Act of 2009.

exportation, modification, or demolition pursuant to Section 5 of the same law;

WHEREAS, NCCA Board Resolution Nos. 2014-443 and 2014-448 have empowered the NCCA to act on cases involving presumed Important Cultural Property;

THEREFORE, by virtue of the power granted by law, the National Commission for Culture and the Arts, through the undersigned, directs the Department of Public Works and Highways (DPWH), through the Secretary of Public Works and Highways the Honorable Rogelio L. Singson, DPWH Undersecretary for Regional Operations the Honorable Romeo S. Momo, and/or the Regional Director of DPWH Regional Office No. 1 Engr. Melanio C. Briosos, to CEASE AND DESIST from implementing the road widening project, inclusive of demolition works, along the national highway in the Municipality of Agoo in the Province of La Union, that will potentially affect presumed Important Cultural Properties in the area, including, but not limited to, Plaza de la Virgen and Agoo Basilica without coordination and concurrence of this Commission and/or the pertinent cultural agency (namely, the National Museum or the National Historical Commission of the Philippines). Failure to comply with this mandate is a criminal offense under RA 10066.

This Order may be served and executed by any Law Enforcement Officer/s.[15]

Russell Q. Bernal (petitioner), acting for the Joint Venture, moved for intervention before the NCCA[16] claiming that by virtue of the contract for the project with the DPWH, the order is in fact directed to the Joint Venture. Petitioner alleged that the road widening will not affect or destroy the Basilica Church or the Plaza de la Virgen; that neither the Basilica Church nor the Plaza de la Virgen is a national heritage entitled to the protection being extended by the NCCA; that neither the Basilica Church nor the Plaza dela Virgen can be presumed as an important cultural property for being at least 50 years old; that the extent of the CDO is very extensive when only a portion of the road widening may affect the structures sought to be

[15] *Rollo*, p. 29.

[16] *Id.* at 30-44.

protected; and that under RA 8975,[17] no court, except the Supreme Court, may issue a restraining order and delay a government infrastructure project.

Petitioner later filed a motion[18] before the NCCA to set the case for hearing and to resolve the pending incidents.

Without waiting for NCCA's action, petitioner filed the present petition before the Court.

In its October 5, 2015 Resolution,[19] the Court required respondents to file their respective Comments on the petition.

In its Comment,[20] the NCCA alleged that petitioner, as a private contractor of DPWH, has no substantive legal right to question the CDO; and that petitioner is not directly aggrieved by the CDO because it was not issued against him, but against the DPWH. The NCCA informed the Court that the case on the validity of the CDO is still pending before it when petitioner filed its petition. The NCCA further averred that RA 8975 has no application in the case because it refers to lower courts and not to the NCCA; and that the NCCA exercises its mandates by virtue of RA 10066.

In its Comment,[21] the DPWH alleged that on February 24, 2015, the DPWH Office of the Project Engineer Region I issued Site Instruction No. 1 acknowledging the CDO issued by the NCCA; that there was also an instruction from Secretary Singson to stop work in the portion covered by the CDO and to restore it to its original form; that, however, Site Instruction No. 1

---

[17] An Act to Ensure the Expeditious Implementation and Completion of Government Infrastructure Projects by Prohibiting Lower Courts from Issuing Temporary Restraining Orders, Preliminary Injunctions or Preliminary Mandatory Injunctions, Providing Penalties for Violations Thereof, and For Other Purposes.

[18] See Motion to Set the Case for Hearing, *rollo*, pp. 46-48.

[19] *Id.* at 71-72.

[20] *Id.* at 95-106.

[21] *Id.* at 126-136.

also directed petitioner to start the other portions of the project not covered by the CDO. The DPWH further alleged that petitioner had completed 89.581% of the project and had been paid for such completed work; and that petitioner availed himself of an improper remedy as *certiorari* cannot lie against Secretary Singson or Regional Director Melanio C. Briosos because they do not exercise judicial or quasi-judicial functions.

In the Resolution[22] dated June 5, 2017, the Court required petitioner to file a Consolidated Reply to the respective Comments of the NCCA and the DPWH. Petitioner failed to comply with the Resolution.

The Issue

Whether the NCCA acted without jurisdiction or with grave abuse of discretion in issuing the assailed CDO against the DPWH.

The Ruling of the Court

The petition should be dismissed.

At the outset, petitioner failed to submit his Consolidated Reply as required by the Court in the Resolution dated June 5, 2017. Petitioner's counsel, likewise, failed to comply with the Court's Resolution[23] dated June 20, 2018 requiring him to show cause why he should not be disciplinarily dealt with or held in contempt for failing to submit his Consolidated Reply, and to comply with the Resolution dated June 5, 2017. The failure alone to comply with the Court's Resolution dated June 5, 2017 and the Resolution dated June 20, 2018, and to file the Consolidated Reply warrants the dismissal of the petition.

In addition, the petition was prematurely filed. The issue of the validity of the CDO is still pending with the NCCA when the present petition before the Court was filed. By resorting to filing the petition before the Court, petitioner preempted the

---

[22] *Id.* at 171-172.

[23] *Id.* at 180.

NCCA's action before it can have a final determination on the validity of the CDO it issued. It is not even clear in the petition whether the NCCA granted petitioner's motion for intervention considering that the issue of the CDO is between the NCCA and the DPWH.

The DPWH also pointed out that the CDO only covers a small area of the project awarded to petitioner. The DPWH in fact issued Site Instruction No. 1 on February 24, 2015, three days after the NCCA issued the CDO, directing petitioner to start with the other portions of the project that were not covered by the CDO. At the time of the filing of DPWH's Comment, petitioner had already completed 89.581% of the project, for which it had already been paid. Petitioner has no reason then to complain that the CDO was very extensive considering that it was given a clearance to proceed with the project, except for the portion covered by the CDO.

Petitioner erroneously invoked RA 8975 to support the petition. RA 8975 prohibits the issuance by all courts, other than the Court, of any temporary restraining orders, preliminary injunctions, or preliminary mandatory injunctions against national government projects.[24] Section 3 (a) of RA 8975 provides:

SECTION 3. *Prohibition on the Issuance of Temporary Restraining Orders, Preliminary Injunctions and Preliminary Mandatory Injunctions*. — No court, except the Supreme Court, shall issue any temporary restraining order, preliminary injunction or preliminary mandatory injunction against the government, or any of its subdivisions, officials or any person or entity, whether public or private, acting under the government's direction, to restrain, prohibit or compel the following acts:

(a) Acquisition, clearance and development of the right-of-way and/or site or location of any national government project;

x x x x x x x x x

---

[24] *Lao, et al. v. LGU of Cagayan de Oro City, et al.*, 818 Phil. 92, 113 (2017).

The NCCA is not a court as contemplated by RA 8975. NCCA's authority to issue a CDO is by virtue of RA 10066. Section 25, Article VII of RA 10066 provides:

> SECTION 25. *Power to Issue a Cease and Desist Order*. — When the physical integrity of the national cultural treasures or important cultural properties are found to be in danger of destruction or significant alteration from its original state, the appropriate cultural agency shall immediately issue a Cease and Desist Order *ex parte* suspending all activities that will affect the cultural property. The local government unit which has the jurisdiction over the site where the immovable cultural property is located shall report the same to the appropriate cultural agency immediately upon discovery and shall promptly adopt measures to secure the integrity of such immovable cultural property. Thereafter, the appropriate cultural agency shall give notice to the owner or occupant of the cultural property and conduct a hearing on the propriety of the issuance of the Cease and Desist Order. The suspension of the activities shall be lifted only upon the written authority of the appropriate cultural agency after due notice and hearing involving the interested parties and stakeholders.

Again, the Court will not rule on the propriety of the Cease and Desist Order, as the matter is still pending before the NCCA.

WHEREFORE, the petition is **DISMISSED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, Delos Santos, and *Baltazar-Padilla, JJ.*, concur.

SECOND DIVISION

[G.R. No. 235914. July 29, 2020]

JANOLINO*[*] “Noli” C. PALAFOX represented by his attorney-in-fact, EFRAIM B. ORODIO, *petitioner, vs.* **MS. CHRISTINE B. WANGDALI and the RURAL BANK OF TABUK (KA), INC.,** *respondents.*

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; PETITIONS UNDER RULE 45; ONLY QUESTIONS OF LAW MAY BE RAISED THEREIN; EXCEPTION.—** As a rule, the jurisdiction of the Court in a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment is based on a gross misapprehension of facts.
2. **ID.; EVIDENCE; WEIGHT AND SUFFICIENCY; PREPONDERANCE OF EVIDENCE; HOW DETERMINED.—** Basic is the evidentiary rule that he who alleges a fact bears the burden of proof. In civil cases, it is the plaintiff who has the burden of proof and who is required to establish his case by preponderance of evidence; that the pieces of evidence must be credible, admissible, and sufficient to meet the quantum of evidence required in proving his claims as the extent of the relief to be granted can only be as much as has been alleged and proved during trial while satisfying the quantum of evidence required in a case.

APPEARANCES OF COUNSEL

Caba Llanillo & Barcena Law Office for petitioner.
Noriega & Noriega Law Offices for respondents.

---

[*] Referred to as Jonolino in some parts of the *rollo*.

D E C I S I O N

INTING, *J.*:

This is a Petition[1] for Review on *Certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[2] dated May 30, 2017 and the Resolution[3] dated October 26, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 106481. The assailed Decision reversed the Decision[4] dated October 30, 2014 of Branch 25, Regional Trial Court (RTC), Bulanao, Tabuk City, Kalinga.

The Antecedents

Janolino "Noli" C. Palafox (Palafox) had in his name a Certificate of Time Deposit (CTD) No. 19265[5] issued by herein respondent, Rural Bank of Tabuk, Inc. (Bank) with maturity date on April 12, 2003.[6]

On June 11, 2003, Palafox went to the Bank to surrender the CTD and claim its value in the amount of ₱1,181,388.99. However, the Bank's employees refused to give him the value of the CTD and advised him to wait for the Bank Manager, Christine B. Wangdali (Wangdali). She likewise refused to give him the CTD's value.[7]

On June 12, 2003, Atty. Edgar S. Orro (Atty. Orro), counsel for Palafox, wrote a letter[8] dated June 12, 2003 addressed to

---

[1] *Rollo*, pp. 9-24.

[2] *Id.* at 133-143; penned by Associate Justice Mariflor P. Punzalan-Castillo with Associate Justices Florito S. Macalino and Maria Elisa Sempio Diy, concurring.

[3] *Id.* at 165-166.

[4] *Id.* at 124-131; penned by Judge Marcelino K. Wacas.

[5] *Id.* at 33.

[6] *Id.* at 133-134.

[7] *Id.* at 134.

[8] *Id.* at 34.

Wangdali demanding payment of the value of the CTD. In her reply,[9] Wangdali related that the Bank could not yet act on Palafox' request as it was under investigation by the Bangko Sentral ng Pilipinas (BSP) on the ground that Palafox might have been a party in defrauding and misappropriation of the Bank's funds.

Hence, the Complaint[10] for Withdrawal of Deposit and Damages filed by a certain Efraim B. Orodio (Orodio) on behalf of Palafox praying for the payment of the CTD's value with accrued interests. Orodio was equipped with a Special Power of Attorney[11] (SPA) executed by Palafox authorizing him to institute the instant complaint.

On August 5, 2003, the Bank and Wangdali (collectively, respondents) filed a Motion to Dismiss and argued that the complaint did not state a cause of action because it was not prosecuted by Palafox himself; that Orodio, being an attorney-in-fact, was not the real party in interest to the case who stood to be benefited or injured by the judgment in the case; that although there is a name among the Bank's depositors similar to that of Palafox, the records of the Bank showed a difference in their signatures. Hence, the Bank asserted that Palafox was an impostor.[12]

Further, the respondents alleged that another ground for the dismissal of the complaint was Palafox' noncompliance with the rule on filing a certificate of non-forum shopping as this was executed by Orodio and not by the principal party to the case who had the knowledge of whether or not he had initiated similar actions or proceedings in different agencies.[13]

On October 20, 2003, the RTC of Bulanao, Tabuk City, Kalinga denied the motion to dismiss.[14]

---

[9] See letter dated June 24, 2003, *id.* at 35.

[10] *Id.* at 28-31.

[11] *Id.* at 32.

[12] *Id.* at 134-135.

[13] *Id.* at 135.

[14] *Id.*

In an Order dated October 7, 2005, the RTC ordered the parties to submit a position paper regarding the preliminary attachment prayed for by Palafox.

The respondents filed their Position Paper with prayer to retain the deposit. Petitioner Palafox, on the other hand, did not file a position paper. Thus, invoking Section 3, Rule 17 of the Rules of Court, the respondents filed another motion to dismiss arguing that petitioner Palafox failed to comply with the RTC's Order to file a position paper, a justifiable ground to cause the dismissal of the complaint.[15]

The RTC granted the respondents' prayer to retain the deposit, but denied the motion to dismiss as it saw the need to proceed with the trial of the case.[16]

The respondents then filed an Answer with Counterclaim reiterating, among others, that the complaint did not have a cause of action because Palafox was a nominal depositor who did not actually own the deposit; that the CTD was a renewal certificate and the history of the deposit revealed that the CTD originated from two deposit accounts, to wit: (1) the first account covered by the Certificate of Deposit No. 17575 was opened by a certain Rachel Orodio, the former general manager of the Bank, and renewed under the name "N. Palafox by Rachel B. Orodio"; and (2) the second account covered by the Certificate of Deposit No. 17575 was opened in the name of Noli Palafox; that the money used to open the account was the proceeds of a simulated loan which Rachel Orodio granted to petitioner Palafox; that Rachel Orodio only used Palafox as a dummy and used the latter's name to appear in the CTD, a violation of the Anti-Money Laundering Act;[17] and for that reason, the matter was reported to the Anti-Money Laundering Council.[18]

Trial on the merits ensued.

---

[15] *Id.* at 135-136.

[16] *Id.* at 136.

[17] Republic Act No. (RA) 9160, as amended by RA 9194.

[18] *Rollo*, p. 136.

Orodio was the only one who testified in court for Palafox. On the other hand, the respondents failed to present their witnesses.

While the case was pending before the RTC, the respondents filed a petition for review with the CA assailing the RTC's Resolution[19] dated October 12, 2015 that denied their second motion to dismiss. However, the CA denied the petition and ruled that the dismissal under Section 3, Rule 17 of the Rules of Court was the trial court's discretion; and that the RTC did not commit grave abuse of discretion in denying the respondents' second motion to dismiss. The respondents sought for the Court's review. The Court denied it.[20]

On October 30, 2014, the RTC issued the Decision[21] granting the relief prayed for by Palafox for failure of the respondents to rebut Palafox's allegations and documentary evidence. The dispositive portion of the Decision reads:

> ACCORDINGLY, judgment is hereby rendered in favor of the plaintiff, and:
>
> 1. For this Court to issue a writ of preliminary mandatory injunction for the release of the face value of the CTD to the plaintiff;
>
> 2. To compel the defendants to pay the plaintiff certificate of time deposit (CTD) including all accrued interest therein;
>
> 3. To indemnify defendants in solidum to pay the following amounts:
>
> a. Thirty Thousand (₱30,000.00) Pesos for exemplary damages;
>
> b. Ten Thousand (₱10,000.00) Pesos for actual expenses and another Thirty Thousand (₱30,000.00) Pesos for litigation expenses;
>
> c. Forty Thousand (₱40,000.00) Pesos as attorney's fees; and
>
> d. Cost of the suit.

---

[19] *Id.* at 121-123.

[20] *Id.* at 137.

[21] *Id.* at 75-82.

SO ORDERED.[22]

Feeling aggrieved, the respondents filed an appeal on the RTC Decision.

The Ruling of the CA

On May 30, 2017, the CA rendered the assailed Decision[23] finding merit on the respondents' appeal. It ruled that Palafox failed to overcome the burden of proving his entitlement to the value of the CTD and the other reliefs prayed for in the complaint. Hence, the CA reversed the findings of the RTC.

Petitioner filed a Motion for Reconsideration.[24] On October 26, 2017 the CA rendered the assailed Resolution[25] denying it.

Hence, the present petition.

In the petition, Palafox raised the following errors of law, to wit:

1. THE [CA] COMMITTED SERIOUS ERRORS OF LAW AND JURISPRUDENCE IN RULING THAT PETITIONER IS THE *[sic]* NOT THE PERSON "NOLI PALAFOX" NAMED IN CERTIFICATE OF TIME DEPOSIT NO. 19265;
2. THE [CA] COMMITTED SERIOUS ERRORS OF LAW AND JURISPRUDENCE IN ALLOWING A CHANGE OF THEORY BY THE PRIVATE RESPONDENTS ON APPEAL.[26]

Our Ruling

The petition is denied.

The Court is not a trier of facts. As a rule, the jurisdiction of the Court in a petition for review on *certiorari* under Rule 45

---

[22] *Id.* at 130-131.

[23] *Id.* at 133-143.

[24] *Id.* at 144-150.

[25] *Id.* at 165-166.

[26] *Id.* at 16.

of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment is based on a gross misapprehension of facts.[27]

Like all other general rules, this also admits of exceptions which have already expanded over time.[28] As enumerated in *Pascual v. Burgos, et al.*,[29] there are 10 recognized exceptions[30] laid down in *Medina v. Mayor Asistio, Jr.*,[31] which are as follows:

> (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.[32]

However, none of the above-mentioned exceptions exists in this case. Thus, the Court finds no cogent reason to depart from the findings of fact and conclusions of law of the appellate

---

[27] *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 416 (2014), citing *Meralco Industrial v. National Labor Relations Commission*, 572 Phil. 94, 117 (2008).

[28] *Duty Paid Import Co., Inc. v. Landbank of the Philippines*, G.R. No. 238258, December 10, 2019.

[29] 776 Phil. 167 (2016).

[30] *Id.* at 182-183.

[31] 269 Phil. 225 (1990).

[32] *Id.* at 232. Citations omitted.

court, more so, when these are supported by substantial evidence.[33]

A judicious perusal of the petition shows that Palafox raises issues which are a mere rehash of what were already raised before the appellate court. Whether or not Palafox is the person "Noli Palafox" named in the CTD No. 19265, and whether or not there was a change of theory by the respondents on appeal, are clearly questions of facts which have all been settled by the appellate court.

Even when the Court is to consider the facts as alleged by Palafox, the Court will reach to the same conclusion that he failed to prove his claims against the respondents. Palafox failed to establish his case by preponderance of evidence.[34] In other words, he failed to meet the required quantum of evidence to establish his identity and his ownership over CTD No. 19265.

Basic is the evidentiary rule that he who alleges a fact bears the burden of proof.[35] In civil cases, it is the plaintiff who has the burden of proof and who is required to establish his case by preponderance of evidence;[36] that the pieces of evidence must be credible, admissible, and sufficient to meet the quantum of evidence required in proving his claims as the extent of the relief to be granted can only be as much as has been alleged

---

[33] *CIR v. Embroidery and Garments Industries (Phil.), Inc.*, 364 Phil. 541, 546 (1999). Citations omitted.

[34] x x x In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. "Preponderance of evidence" is the weight, credit, and value of the aggregate evidence on either side and is usually considered synonymous with the term "greater weight of the evidence" or "greater weight of the credible evidence." "Preponderance of evidence" is a phrase that, in the last analysis, means probability of the truth. It is evidence that is more convincing to the court as worthy of belief than that which is offered in opposition thereto. *Heirs of Jose Lim v. Lim*, 628 Phil. 40, 48 (2010).

[35] *Duty Paid Import Co., Inc. v. Landbank of the Philippines, supra* note 28, citing *Lim v. Equitable PCI Bank*, 724 Phil. 453, 454 (2014).

[36] See *Heirs of Jose Lim v. Lim, supra* note 34.

and proved during trial while satisfying the quantum of evidence required in a case.

In the present case, even if Palafox presented his evidence *ex parte*, the fact remains that he failed to prove his identity and ownership over the CTD No. 19265.

Verily, the Court adopts the findings of fact and conclusions of law of the CA Decision in ruling that Palafox failed to prove the existence of the first element of a cause of action, *i.e.*, his right to the relief prayed for.[37]

The case stemmed from a complaint for withdrawal of deposit with damages. The CTD subject of this case is named under "Noli Palafox." Hence, the CTD and all the rights appertaining thereto belong to a certain "Noli Palafox." However, the complaint was instituted by Orodio in the name of Palafox. The appellate court stressed that Palafox did not explain to the court the variance in the names;[38] that he did not produce evidence to prove that Palafox and Noli Palafox are one and the same person, or that Palafox uses, and is also known as Noli.[39]

The Court hereby quotes the CA, thus:

> The rule on the use of names is that no one shall represent himself in any public or private transaction without stating or affixing his real or original name and all names or aliases or pseudonym he is or may have been authorized to use. If plaintiff-appellee Jonolino Palafox was indeed the same person as Noli Palafox, the CTD should not have been made payable to Noli Palafox, rather, to Jonolino "Noli" Palafox.
>
> Plaintiff-appellee's failure to establish the identity of Noli Palafox is especially suspicious in light of the fact that Jonolino Palafox never appeared before the RTC to participate in the proceedings. The testimonial evidence for the plaintiff was the testimony of lone witness Orodio, who had no personal knowledge regarding the CTD in question, and the time deposit account. Orodio had no personal knowledge as

---

[37] *Rollo*, p. 140.

[38] *Id.* at 141.

[39] *Id.*

to whether Jonolino Palafox actually went to the bank to withdraw the amount. All that Orodio knew about the case was what Palafox allegedly instructed him to do. To aggravate the matter, the instructions were not relayed directly from Palafox to Orodio, but from Palafox to Orodio's mother, who in turn relayed the instructions to Orodio.

Even Orodio's authority to institute the case on behalf of Palafox is dubious. The Special Power of Attorney allegedly executed by Palafox in favor of Orodio did not have convincing evidence of Palafox's identity. There was no identification card attached to the document. At best, a community tax certificate number was indicated below Palafox's name. Even Palafox's signature was not indubitably indicative of identity, because plaintiff-appellee did not attach any other document which could have corroborated that the identity of Palafox the account owner, and Palafox the principal in the SPA, were the same.[40]

WHEREFORE, the petition is **DENIED**. The Decision dated May 30, 2017 and the Resolution dated October 26, 2017 of the Court of Appeals in CA-G.R. CV No. 106481 are **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, Delos Santos, and *Baltazar-Padilla, JJ.*, concur.

SECOND DIVISION

[G.R. No. 237373. July 29, 2020]

JOSEPH MARTINEZ, *petitioner*, *vs.* **OSG SHIP MANAGEMENT MANILA, INC. (substituted by PACIFIC OCEAN MANNING, INC.), OSG SHIP**

---

[40] *Id.* at 141-142.

MANAGEMENT (GR) LTD., MS. MA. CRISTINA H. GARCIA, *respondents.*

[G.R. No. 237378. July 29, 2020]

OSG SHIP MANAGEMENT MANILA, INC. (substituted by PACIFIC OCEAN MANNING, INC.), OSG SHIP MANAGEMENT (GR) LTD., MS. MA. CRISTINA H. GARCIA, *petitioners*, *vs.* **JOSEPH MARTINEZ,** *respondent.*

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; PETITIONS UNDER RULE 45; ONLY QUESTIONS OF LAW MAY BE RAISED THEREIN; EXCEPTION.—** A petition for review is limited to questions of law. The Court does not re-examine conflicting evidence, re-evaluate the credibility of witnesses, or substitute the findings of fact of the NLRC, an administrative body that has expertise in its specialized field. Factual findings of the NLRC, when affirmed by the CA, are generally conclusive on the Court. Nonetheless, OSG and Pacific Ocean Manning present no compelling reason for the Court to deviate from this general rule. It is, however, settled in this jurisdiction that this Court may examine the CA's Decision from the prism of whether the latter had correctly determined the presence or absence of grave abuse of discretion in the NLRC's Decision. In this case, the Court finds no reversible error on the part of the CA when it declared that the NLRC did not commit grave abuse of discretion in affirming the ruling of the LA that Martinez' illness is work-related and compensable.
2. **LABOR AND SOCIAL LEGISLATION; EMPLOYEES' COMPENSATION; SEAFARER'S CLAIM FOR TOTAL AND PERMANENT DISABILITY BENEFITS; RULES; EXCEPTION.—** The Labor Code and the Amended Rules on Employees Compensation (AREC) provide that the seafarer is declared to be on *temporary total disability* during the 120-day period within which the seafarer is unable to work. However, a temporary total disability lasting continuously for more than 120 days, *except* as otherwise provided in the Rules, is considered

as a *total and permanent disability*. The exception referred to above, as explained in *Talaroc v. Arpaphil Shipping Corporation*, pertains to a situation when the sickness "*still requires medical attendance beyond the 120 days but not to exceed 240 days*" in which case the temporary total disability period is extended up to a maximum of 240 days. Note, however, that for the company-designated physician to avail of the extended 240-day period, he must first perform some significant act to justify an extension (*e.g.*, that the illness still requires medical attendance beyond the initial 120 days but not to exceed 240 days or that the seafarer was uncooperative resulting in the extended period of treatment); otherwise, the seafarer's disability shall be conclusively presumed to be permanent and total.

APPEARANCES OF COUNSEL

Carrera & Associates Law Office for Joseph Martinez.
Del Rosario & Del Rosario for OSG Ship Management Manila, Inc., *et al*.

D E C I S I O N

DELOS SANTOS, *J.*:

Before this Court are two consolidated Petitions for Review on *Certiorari* docketed as G.R. Nos. 237373[1] and 237378[2] which seek modification and reversal, respectively, of the Decision[3] dated 17 August 2017, and the Resolution[4] dated 6 February 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 145338. In the assailed Decision and Resolution, the CA sustained the ruling of the National Labor Relations Commission (NLRC) that Joseph Martinez (Martinez) is entitled to permanent and

---

[1] Not attached to the *rollo*.

[2] *Rollo* (G.R. No. 237378), pp. 34-60.

[3] Penned by Associate Justice Mario V. Lopez (now a Member of this Court), with Associate Justices Remedios A. Salazar-Fernando and Ramon Paul L. Hernando (now a Member of this Court), concurring; *id.* at 15-24.

[4] *Id.* at 26-30.

total disability benefits in the amount of $95,949.00 but deleted the award of sick wage allowance, medical and travel expenses, and attorney's fees.

Facts

Joseph Martinez was engaged by OSG Ship Management Manila, Inc., in behalf of its principal OSG Ship Management (GR) Ltd., as Chief Cook on board the vessel MT Overseas Antigmar for eight (8) months. He boarded the vessel on 5 December 2013.

During the first week of June 2014, Martinez complained of severe abdominal pain. He was referred to a doctor in Seoul, Korea and was diagnosed with Obstructed Descending Colon Cancer. He was repatriated on 16 June 2014 and was brought to Cardinal Santos Medical Center and at Marine Medical Services. After undergoing several medical procedures, Martinez was diagnosed to have Intestinal Obstruction Secondary to Well Differentiated Mucinous Adenocarcinoma, Descending Colon with Periocolic Involvement. In a medical report dated 26 June 2014, the company-designated doctors explained that the risk factors of Martinez' condition include age, diet rich in saturated fat, fatty acid and linoleic acid and genetic predisposition. They then opined that Martinez' illness is "likely not work-related." Martinez was then treated as an out-patient and underwent chemotherapy.

Meanwhile, on 16 June 2014, the management of MT Overseas Antigmar was transferred to Pacific Ocean Manning, Inc. (Pacific Ocean Manning) which executed an Affidavit of Assumption of Responsibility in favor of OSG Ship Management, Inc.[5]

On 17 November 2014, Martinez filed a complaint for total and permanent disability benefits, payment of sick wages for 130 days, reimbursement of medical and transportation expenses, moral and exemplary damages, and attorney's fees against OSG Ship Management Manila, Inc., OSG Ship Management (GR) Ltd., and Ms. Ma. Cristina H. Garcia (collectively, OSG).

---

[5] *Id.* at 17.

Martinez claimed that his illness is work-related since his job is strenuous and stressful; the meals being served are lengthily frozen, salty and fatty; and in some cases, the water is substandard.

In its Position Paper, OSG, substituted by Pacific Ocean Manning, alleged that as declared by the company-designated physicians, Martinez' illness is not work-related. As such, the same is not compensable under the Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC). Furthermore, Pacific Ocean Manning claimed that Martinez is not entitled to damages and attorney's fees, and that he was given medical assistance and was fully paid of his sickness allowance.

On 14 January 2015, Martinez consulted Dr. Efren Vicaldo who declared that Martinez is unfit to resume work as seaman in any capacity and that his illness is work-aggravated or work-related. He submitted the said medical findings to the Labor Arbiter (LA). On the other hand, OSG and Pacific Ocean Manning submitted the Affidavit of Mervin Balane Daet (Daet), a Messman on MT Overseas Antigmar, who attested that the crew on board the said vessel was provided safe and healthful working conditions and adequate and nutritious food.

Labor Arbiter Ruling

On 7 April 2015, the LA rendered a Decision in favor of Martinez, the dispositive portion of which reads:

> WHEREFORE, premises considered, complainant's illness is deemed work-related and is considered to be permanent and total.
>
> Pacific Ocean Manning, Inc., OSG Shipmanagement Manila, Inc., OSG Shipmanagement Manila, Inc. (sic) are hereby ORDERED to pay complainant a sum of US Dollars $95,949.00 or its peso equivalent at the time of payment, as permanent total disability benefits, a sum of US Dollars $5,240.00, or its peso equivalent as of the time of payment, as sick wage allowance, Php49,218.25 as medical and travel expenses reimbursement. The respondents are also ordered to pay the complainant attorney's fees equivalent to ten percent of the judgment award.

SO ORDERED.[6]

Hence, OSG and Pacific Ocean Manning appealed the above Decision to the NLRC.

NLRC Ruling

In its 14 December 2015 Decision, the NLRC affirmed the LA's Decision. OSG and Pacific Ocean Manning filed a motion for reconsideration but the same was denied in the NLRC 29 February 2016 Resolution. Thereafter, they went to the CA on a Petition for *Certiorari* under Rule 65 of the Rules of Court.[7]

On 4 August 2016, by virtue of a conditional satisfaction of judgment agreed by the parties, OSG paid the total amount of ₱5,181,389.00 to Martinez.

Court of Appeals Ruling

On 17 August 2017, the CA rendered the now assailed Decision which sustained the ruling of the NLRC that Martinez' illness is work-related and that he is entitled to permanent and total disability benefits. The CA ruled that the NLRC did not commit grave abuse of discretion since its factual finding that Martinez' illness is work-related is supported by substantial evidence. The CA, however, modified the Decision of the NLRC by deleting the award of sick wage allowance, medical and travel expenses, and attorney's fees. The CA decreed as follows:

FOR THESE REASONS, the petition is **PARTLY GRANTED**. The December 14, 2015 Decision and February 29, 2016 Resolution of the National Labor Relations Commission is **MODIFIED** in that the award of sick wage allowance, medical and travel expenses, and attorney's fees are deleted.

SO ORDERED.[8]

Dissatisfied with the CA Decision, OSG and Pacific Ocean Manning filed a motion for reconsideration. Martinez also filed

---

[6] *Id.* at 17-18.

[7] *Id.* at 18.

[8] *Id.* at 23.

a motion for partial reconsideration in so far as the CA deleted the award of attorney's fees. He also maintained that the *certiorari* petition was mooted by virtue of a conditional settlement which would prevent OSG and Pacific Ocean Manning from taking back the judgment award previously granted by the labor tribunals, which was already paid and received by Martinez in full amount. The two motions for reconsideration were denied by the CA in a Resolution dated 6 February 2018.[9]

Thereafter, Martinez filed before the Court a Motion for an Extension of Time to File Petition under Rule 45[10] which was docketed as G.R. No. 237373. On the other hand, OSG and Pacific Ocean Manning filed a Petition for Review on *Certiorari*[11] which was docketed as G.R. No. 237378. Both cases were accordingly consolidated.

In the Court's 18 June 2018 Resolution,[12] G.R. No. 237373 was declared closed and terminated after Martinez failed to file the intended petition. Hence, what remains now for resolution of the Court is the petition of OSG and Pacific Ocean Manning.

In their petition, OSG and Pacific Ocean Manning posed the sole issue, to wit:

WHETHER OR NOT THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR OF LAW IN AWARDING FULL AND PERMANENT DISABILITY BENEFITS, DISREGARDING THE MEDICAL FINDINGS OF THE COMPANY-DESIGNATED PHYSICIAN AND AWARDING FULL DISABILITY COMPENSATION UNDER THE POEA CONTRACT AND THE COLLECTIVE BARGAINING AGREEMENT (CBA).

In support of their petition, OSG and Pacific Ocean Manning argue, in summary, that Martinez failed to present substantial evidence that there is a causal connection between the nature

[9] *Id.* at 30.

[10] *Rollo* (G.R. No. 237373), pp. 3-5.

[11] *Id.* (G.R. No. 237378), at 34-60.

[12] *Id.* (G.R. No. 237373), at 12-13.

of his employment and his illness, or that the risk of contracting the illness was increased by his working conditions. On the contrary, OSG and Pacific Ocean Manning posit that the CA should have given evidentiary weight to the Affidavit of Messman Daet regarding the safe and healthful working condition of Martinez while on board the vessel and of the fact that the company-designated physicians found Martinez' illness as not work-related. It is also their position that Martinez has no cause of action against them at the time of the filing of his complaint. OSG and Pacific Ocean Manning seek the attention of the Court to the fact that Martinez immediately filed his labor complaint on 17 November 2014 without consulting first his private doctor and securing a medical certificate that he is totally and permanently disabled.

The Court's Ruling

The petition is not meritorious.

Pursuant to Section 20 (A) of the 2010 POEA-SEC,[13] the employer is liable for disability benefits when the seafarer suffers from a work-related injury or illness during the term of his contract.

In this case, OSG and Pacific Ocean Manning argued that Martinez' illness, which is not listed as a disability under Section 32 of the POEA-SEC nor listed as an occupational disease under Section 32-A of the same Rule, is not work-related since there is no causal connection between the nature of his employment and his illness. This, however, is a factual issue that is generally not reviewable in a petition under Rule 45 of the Rules of Court.[14]

A petition for review is limited to questions of law. The Court does not re-examine conflicting evidence, re-evaluate

---

[13] Since Martinez was hired in 2014, it is the 2010 POEA-SEC (Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships) under Philippine Overseas Employment Authority (POEA) Memorandum Circular No. 010-10 which is applicable in this case.

[14] *Menez v. Status Maritime Corporation*, G.R. No. 227523, August 29, 2018.

the credibility of witnesses, or substitute the findings of fact of the NLRC, an administrative body that has expertise in its specialized field. Factual findings of the NLRC, when affirmed by the CA, are generally conclusive on the Court.[15] Nonetheless, OSG and Pacific Ocean Manning present no compelling reason for the Court to deviate from this general rule.

It is, however, settled in this jurisdiction that this Court may examine the CA's Decision from the prism of whether the latter had correctly determined the presence or absence of grave abuse of discretion in the NLRC's Decision.[16] In this case, the Court finds no reversible error on the part of the CA when it declared that the NLRC did not commit grave abuse of discretion in affirming the ruling of the LA that Martinez' illness is work-related and compensable.

The CA correctly ruled that the findings of the LA, as affirmed by NLRC, that Martinez' colon cancer is work-related or work-aggravated is supported by substantial evidence while the certification by the company-designated doctors that Martinez' illness is "*likely not work-related*" is uncertain and incomplete, thus:

> We thus give credence to the Labor Arbiter's observation on Martinez' illness, to wit:
>
>> In this case, the complainant was only 48 years old at the time that his illness was discovered and his medical history does not reveal any genetic predisposition to cancer. Thus, the risk factor left was diet rich in saturated fat, fatty acid and linoleic acid, which were all attendant in the provisions on board the vessel. It bears to point out that the complainant has been with respondents since 1994. That prior deployment to his latest contract on board Overseas Antigmar as Chief Cook, he was found fit to work and fit for sea duty. That it was only when he was serving his contract on board Overseas Antigmar that he suffered abdominal pains and was thereafter diagnosed with

---

[15] *Monana v. MEC Global Shipmanagement and Manning Corporation*, 746 Phil. 736, 749 (2014).

[16] *Quebral v. Angbus Construction, Inc.*, 798 Phil. 179, 187 (2016).

Colon Cancer. Most of his adult life, was spent working under the employ of the respondents, on board their vessels, consuming provisions which mostly consists of high fat and red meat, coupled with his working conditions can be said to have played a vital role in aggravating his illness.

In refusing to pay total and permanent disability benefits, OSG and Pacific Ocean Manning relied on the certification of the company-designated doctor that Martinez' illness is "likely not work-related." This statement is inconclusive and there is no explanation on how the company physician made this opinion. At any rate, it can also be argued that Martinez' illness is "*likely work-related*." We must stress that to establish compensability of a non-occupational disease, reasonable proof of work-connection and not direct causal relation is required. Probability, not the ultimate degree of certainty, is the test of proof in compensation proceedings. Accordingly, since Martinez has been working for OSG and Pacific Ocean Manning for almost twenty years and has been eating frozen, fatty and salty food during his employment, his illness was essentially work-related or work-aggravated. He is entitled to permanent and total disability benefit.[17]

The CA likewise properly explained why the claim of Messman Daet as to the working condition and healthful diet of the crewmen of MT Overseas Antigmar is given lesser credence than that of the Martinez' evidence, to wit:

In this case, both parties, petitioners and private respondent, agree that the risk factor of colon cancer is "diet rich in saturated fat." Martinez claims that he has been working for OSG and Pacific Ocean Manning since 1994 and the meals served during this period were lengthily frozen, salty, fatty, and the water was substandard. This claim was refuted by Messman Mervin Balane Daet who stated that "the crew was provided safe and healthful working conditions and adequate and nutritious food." However, besides this general claim that the crew was given "adequate and nutritious food," Messman Daet did not give any details on what specific kinds of food were being served. On this score, between the conflicting statements of Martinez and Daet, We give more credence to Martinez' claim. This is consistent with the policy that in any controversy between a laborer and his master, doubts reasonably arising from the evidence are resolved in favor of the laborer. x x x[18]

---

[17] *Rollo* (G.R. No. 237378), pp. 21-22. (Citations omitted)

[18] *Id.* at 21.

There being no reversible error on the part of the CA in declaring that the NLRC did not commit grave abuse of discretion, the Court affirms the findings of the LA and the NLRC that Martinez' illness is work-related or work-aggravated and, therefore, compensable.

Further, the Court finds no merit in the contention of OSG and Pacific Ocean Manning that Martinez has no cause of action at the time of the filing of his complaint. Contrary to their position, Martinez need not have to consult and to secure a medical certification from his private doctor that he is totally and permanently disabled before he could file his complaint on 17 November 2014, which is 154 days from the time he was repatriated.

The Labor Code and the Amended Rules on Employees Compensation (AREC) provide that the seafarer is declared to be on *temporary total disability* during the 120-day period within which the seafarer is unable to work. However, a temporary total disability lasting continuously for more than 120 days, *except* as otherwise provided in the Rules, is considered as a *total and permanent disability*.[19]

The exception referred to above, as explained in *Talaroc v. Arpaphil Shipping Corporation*,[20] pertains to a situation when the sickness "*still requires medical attendance beyond the 120 days but not to exceed 240 days*" in which case the temporary total disability period is extended up to a maximum of 240 days.[21] Note, however, that for the company-designated physician to avail of the extended 240-day period, he must first perform some significant act to justify an extension (*e.g.*, that the illness still requires medical attendance beyond the initial 120 days but not to exceed 240 days or that the seafarer was uncooperative

---

[19] *Talaroc v. Arpaphil Shipping Corporation*, 817 Phil. 598, 611 (2017), citing Article 198 (c) (1) of the Labor Code, and Section 2 (b), Rule VII of the AREC.

[20] *Id.*

[21] *Id.* at 611, citing *Vergara v. Hammonia Maritime Services, Inc.*, 588 Phil. 895, 911-912 (2008).

resulting in the extended period of treatment); otherwise, the seafarer's disability shall be conclusively presumed to be permanent and total.[22]

In this case, it is undisputed that Martinez was medically repatriated on 16 June 2014 and was admitted at the hospital the following day. On 26 June 2014, the company-designated doctors issued a medical report stating that Martinez was diagnosed to have Intestinal Obstruction Secondary to Well Differentiated Mucinous Adenocarcinoma, Descending Colon with Periocolic Involvement and that the same is "likely not work-related." He was then treated as an outpatient undergoing chemotherapy. Thereafter and until the filing of the labor complaint on 17 November 2014 or for a period of 154 days from the time he was repatriated, Martinez was not issued any medical certificate to show the company-designated doctor's final medical assessment on him. Neither is there a medical report that Martinez' illness is already treated or that it still requires medical attendance beyond the initial 120 days. Necessarily, there was no point of extending the period because the disability suffered by the Martinez was permanent. Consequently, by operation of law, Martinez' illness is deemed permanent and total as of the date of the expiration of the 120-day period counted from his repatriation to the Philippines. Hence, by the time that Martinez filed his labor complaint on the 154th day from his repatriation, his illness is already deemed total and permanent. Coupled with the presumption that a seafarer's injury or illness during the term of his employment contract is work-related, which remained unrebutted by the incomplete and uncertain 26 June 2014 medical report of the company-designated doctor, Martinez certainly has a cause of action against OSG and Pacific Ocean Manning when he filed his complaint. He was under no obligation to consult with a physician of his choice under the given circumstances.

Finally, the Court rejects the argument of Martinez that the instant petition is rendered moot and academic by virtue of

---

[22] *Id.* at 611-612, citing *Elburg Shipmanagement Phils., Inc. v. Quiogue, Jr.*, 765 Phil. 341, 361-362 (2015).

the fact that he had already received in full amount the judgment award granted by the LA through a conditional satisfaction of the judgment award.

It is worthy to note that the parties agreed into a conditional satisfaction of judgment award before the CA rendered its decision which deleted the award for sick wage allowance, medical and travel expenses, and attorney's fees. As correctly found by the CA, the nature and terms of their agreement (conditional satisfaction of the judgment award) are very clear in that the same is without prejudice to the final outcome of the petition for *certiorari* pending before the CA. Moreover, it is unrebutted that Martinez himself executed an affidavit of claimant in which he understood and agreed to return the amount should there be a reversal or modification of the decisions of the LA and the NLRC. In the absence of special circumstances that would warrant a departure from the rule, stipulations in a contract are binding as between the parties unless they are contrary to law, morals, good customs, public order or public policy.[23] Thus, the Court holds that the terms of the conditional satisfaction of judgment award are binding upon Martinez. As such, the filing of the *certiorari* petition and the decision of the CA was not rendered moot by the conditional settlement entered into by the parties which clearly indicated that it is subject to the outcome of the *certiorari* petition. The same can be said to the instant petition for review which is simply an appeal and continuation of the *certiorari* petition. In addition and as stated earlier, the parties' conditional settlement is subject to the reversal or modification of the judgment of the LA and the NLRC, which includes the modification of said judgment by the Court. Accordingly, nothing would prevent OSG and Pacific Ocean Manning from demanding from Martinez to return or restitute, in accordance with existing rules, any excess amount that they have paid by virtue of the conditional satisfaction of the judgment award. Needless to say, to allow Martinez to retain the excess payment would be tantamount to unjust enrichment at the expense of OSG and Pacific Ocean Manning whose

---

[23] NEW CIVIL CODE, Article 1306.

entitlement thereto is further buttressed by, and in line with, Section 14, Rule XI of the 2011 NLRC Rules of Procedure which provides:

> EFFECT OF REVERSAL OF EXECUTED JUDGMENT. — Where the executed judgment is **totally or partially reversed or annulled by the Court of Appeals or the Supreme Court**, the Labor Arbiter shall, **on motion**, issue such orders of **restitution of the executed award**, except wages paid during reinstatement pending appeal.[24]

WHEREFORE, premises considered, the Court resolves to **DENY** the petition filed by OSG Ship Management Manila, Inc., Pacific Ocean Manning, Inc., OSG Ship Management (GR) Ltd., and Ms. Ma. Cristina H. Garcia in G.R. No. 237378. The Decision of the Court of Appeals dated 17 August 2017 and the Resolution dated 6 February 2018 in CA-G.R. SP No. 145338 are **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson),Gesmundo,[*] *Inting,* and *Baltazar-Padilla, JJ.*, concur.

---

[24] See *Hernandez v. Magsaysay Maritime Corporation*, G.R. No. 226103, January 24, 2018, citing *Philippine Transmarine Carriers, Inc. v. Legaspi*, 710 Phil. 838, 849-850 (2013). (Emphasis supplied)

[*] Designated as additional member in lieu of Associate Justice Ramon Paul L. Hernando per Raffle dated February 24, 2020.

SECOND DIVISION

[G.R. No. 240950. July 29, 2020]

EASTERN OVERSEAS EMPLOYMENT CENTER, INC., AL AWADH COMPANY TRADING AND CONTRACTING, MR. JUAN VILLABLANCA and MRS. GLORIA ODULIO VILLABLANCA, *petitioners*, *vs.* **HEIRS OF THE DECEASED NOMER P. ODULIO, represented by his wife, MAY IMBAG ODULIO,** *respondents*.

SYLLABUS

1. **REMEDIAL LAW; APPEALS; RULE 45 PETITION; ONLY QUESTIONS OF LAW MAY BE RAISED; EXCEPTION THERETO APPLIED IN VIEW OF THE CONTRARY FINDINGS OF THE COURT OF APPEALS AND THE NATIONAL LABOR RELATIONS COMMISSION.—** Under Section 1, Rule 45 of the Rules of Court, petitions for review on *certiorari* shall raise only questions of law. A question of fact exists when there is a doubt as to the truth of certain facts, and it can only be resolved through a reexamination of the body of evidence. Here, the issue of whether Nomer was agency-hired or a rehire of Al Awadh Company will require the Court to re-examine the evidence on hand. It is well-settled that the Court is not a trier of facts. As a general rule, the Court will defer to the lower courts' or quasi judicial agencies' appreciation and evaluation of evidence. However, there are exceptions to this general rule as eloquently enunciated in jurisprudence, such as when the factual findings of the CA and the NLRC are contradictory. Indubitably, the case at bar falls under this exception. Thus, the Court proceeds to examine the factual milieu of the case.

2. **LABOR AND SOCIAL LEGISLATION; PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION - STANDARD EMPLOYMENT CONTRACT (POEA-SEC); BEING FACED WITH TWO INTERPRETATIONS AS TO THE STATUS OF THE OVERSEAS WORKER'S EMPLOYMENT, THE COURT RULED IN FAVOR OF THE WORKER'S INSURANCE POLICY COVERAGE IN**

LIGHT OF THE LABOR CODE PROVISION THAT IN CASE OF DOUBT, ALL LABOR CONTRACTS SHALL BE CONSTRUED IN FAVOR OF THE SAFETY AND DECENT LIVING OF THE LABORER; HENCE, RESPONDENTS ARE ENTITLED TO THE INSURANCE BENEFIT OF AN AGENCY-HIRED WORKER, WHO SUFFERED A NATURAL DEATH.–– Being faced with two interpretations of Nomer's status of employment, the Court is inclined to rule in favor of Nomer's compulsory insurance policy coverage, in light of Article 1702 of the Labor Code, which provides that in case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living of the laborer. While Nomer's OFW Information Sheet indicated that he was a worker-on-leave, the same document, as earlier discussed, indicated that his redeployment to Al Awadh Company on June 11, 2011 was by virtue of a new contract. The information sheet even stated that Eastern Overseas was Nomer's local agent, meaning it was the agency which processed his new contract with Al Awadh Company in June 2011. This negates the claim that Nomer was a *worker-on-leave* when he returned to the Philippines in April 2011. x x x [I]nsurance coverage is compulsory for agency-hired migrant workers. Nomer having availed himself of the services of Eastern Overseas in securing his employment with Al Awadh and deployment to Saudi Arabia in June 2011, the CA aptly reinstated the findings of facts of the LA and correctly ruled that Nomer was covered by a compulsory insurance policy. Per Section 1(b), Guideline VII of the Insurance Guidelines on Rule XVI of the Omnibus Rules and Regulations Implementing RA 8042, the insurance benefit of an agency-hired OFW, such as Nomer, who suffered a natural death is US$10,000. Indubitably, the CA committed no error in reinstating the LA's award of $10,000 in favor of respondents. The award of 10% attorney's fees in favor of respondents is likewise affirmed.

APPEARANCES OF COUNSEL

Ortega Bacorro Odulio Calma and Carbonell for petitioners.
Legal Advocates For Workers' Interest (LAWIN) for respondents.

RESOLUTION

INTING, *J.*:

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[2] dated April 27, 2018 and the Resolution[3] dated July 20, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 135583 that ordered Eastern Overseas Employment Center, Inc. (Eastern Overseas), Al Awadh Company Trading and Contracting (Al Awadh Company), Juan Villablanca, Eastern Overseas' President, and Gloria Odulio Villablanca, Eastern Overseas' General Manager, (collectively, petitioners) to pay the heirs of Nomer Odulio (respondents) the amount of US$10,000.00, or its equivalent in Philippine Peso, plus 10% thereof as attorney's fees.

The Antecedents

Sometime in 2007, Nomer P. Odulio (Nomer) was hired as a cable electrician by Al Awadh Company in Saudi Arabia, through its placement agency in the Philippines, Eastern Overseas. Nomer's contract stipulated an employment period of two years from 2007 to 2009. When his contract expired in 2009, Nomer continued to work for Al Awadh Company until he returned to the Philippines in April 2011.[4]

On June 6, 2011, Nomer returned to Saudi Arabia to work as a lineman for Al Awadh Company for an employment period of 12 months. On May 19, 2012, Nomer unfortunately suffered a heart failure and died in the course of his employment.[5]

---

[1] *Rollo*, pp. 10-22.

[2] *Id.* at 27-41; penned by Associate Justice Myra V. Garcia-Fernandez with Associate Justices Ramon R. Garcia and Germano Francisco D. Legaspi, concurring.

[3] *Id.* at 42-43.

[4] *Id.* at 28.

[5] *Id.*

On January 7, 2013, respondents filed a complaint for payment of Nomer's death benefits against Al Awadh Company, Eastern Overseas, its President Juan Villablanca, and General Manager Gloria Odulio Villablanca. In their Position Paper,[6] respondents cited Section 37-A of Republic Act No. (RA) 8042,[7] as amended by RA 10022, and argued that since Nomer was an agency-hired worker, he is covered by a compulsory insurance policy secured by Eastern Overseas at no cost to Nomer.[8]

In defense, petitioners contended that since Nomer was rehired by Al Awadh Company in June 2011 without any participation of Eastern Overseas, Nomer was no longer covered by a compulsory insurance policy at the time of his death.[9] Nomer negotiated directly with Al Awadh Company when his employment contract expired in June 2009. Having renewed his contract on his own, Nomer continued to work for Al Awadh Company in Saudi Arabia until he went on leave in April 2011 to attend the graduation of his daughter in the Philippines. Nomer processed his Saudi Arabia Visa to be able to resume his employment after his vacation. In his visa request, he indicated that he started working for Al Awadh Company on June 28, 2007; that his contract expired on June 27, 2009; and that the purpose of his leave was vacation whereby he purchased a round trip ticket for his return to Saudi Arabia.[10]

Petitioners also pointed out that in the Release of Claims which Nomer executed, he indicated that he was an employee of Al Awadh Company from June 28, 2007 until April 4, 2011; thus, it only shows that he continued to work despite the expiration of his employment contract on June 27, 2009. Before his return to Saudi Arabia in June 2011, Nomer processed the contract he secured from Al Awadh Company with the Philippine

---

[6] *Id.* at 47-55.

[7] Migrant Workers and Overseas Filipinos Act of 1995.

[8] *Rollo*, pp. 51-52.

[9] *Id.* at 16-17.

[10] *Id.* at 15-16.

Overseas Employment Administration (POEA); he was tagged by the POEA as *balik-manggagawa* which proves that he was a *worker-on-leave*.

Petitioners further pointed out that Eastern Overseas denied that Nomer was agency-hired when he was redeployed in June 2011. Since Nomer was the nephew of the general manager of Eastern Overseas, the latter assisted Nomer in the processing of his documents with the POEA as a form of courtesy, not because he was an agency-hired worker.[11]

Ruling of the Labor Arbiter (LA)

In the Decision[12] dated July 25, 2013, the LA ruled in favor of the heirs of Nomer, awarding to them the amount of US$10,000, plus 10% thereof as attorney's fees.[13] In ruling in favor of the heirs of Nomer, the LA brushed aside petitioners' contention that Nomer was rehired by Al Awadh Company in June 2011 without Eastern Overseas' participation. The LA likewise found incredible petitioners' allegation that Nomer was a worker-on-leave who only returned to Al Awadh Company in June 2011 to finish the unexpired portion of his contract. The LA held that Nomer's return was by virtue of a new contract which was processed through the agency of Eastern Overseas, and that having been employed and deployed through the recruitment agency of Eastern Overseas, Nomer was covered by a compulsory insurance policy.[14]

Ruling of the National Labor Relations Commission (NLRC)

In the Decision[15] dated December 27, 2013, the NLRC reversed the LA Decision and held that Nomer was rehired in 2009 by

---

[11] *Id.* at 15.

[12] *Id.* at 85-90; penned by Labor Arbiter Raymund M. Celino.

[13] *Id.* at 90.

[14] *Id.* at 89-90.

[15] *Id.* at 120-127; penned by Commissioner Mercedes R. Posada-Lacap with Commissioners Grace E. Maniquiz-Tan and Dolores M. Peralta-Beley, concurring.

Al Awadh Company without the participation of Eastern Overseas. It likewise ruled that Nomer was a *worker-on-leave* who returned to Al Awadh Company in June 2011 to finish the unexpired portion of his contract; and that since Eastern Overseas did not have a hand in the reemployment and redeployment of Nomer in June 2011, he was deemed not covered by a compulsory insurance policy.

Ruling of the CA

In the assailed Decision[16] dated April 27, 2018, the CA annulled, and set aside the NLRC Decision, and reinstated the LA Decision.

Issue

The issue for the Court's resolution is whether Nomer was covered by a compulsory insurance policy when he went back to work in Saudi Arabia with Al Awadh Company in June 2011.

Court's Ruling

The petition is bereft of merit.

The pertinent portion of SEC. 37-A of RA 8042, as amended, provides:

> SEC. 37-A. *Compulsory Insurance Coverage for Agency-Hired Workers*. — In addition to the performance bond to be filed by the recruitment/manning agency under Section 10, each migrant worker deployed by a recruitment/manning agency shall be covered by a compulsory insurance policy which shall be secured at no cost to the said worker. Such insurance policy shall be effective for the duration of the migrant worker's employment. x x x
>
> x x x x x x x x x
>
> For migrant workers classified as rehires, name hires or direct hires, they may opt to be covered by this insurance coverage by requesting their foreign employers to pay for the cost of the insurance coverage or they may pay for the premium themselves. To protect the rights of these workers, the POEA shall provide them adequate legal

---

[16] *Id.* at 27-41.

assistance, including conciliation and mediation services, whether at home or abroad.

As can be gleaned from the foregoing, insurance coverage is compulsory for agency-hired migrant workers. An Overseas Filipino Worker (OFW) is agency-hired if he/she has availed himself of the services of a recruitment/manning agency duly authorized by the Department of Labor and Employment through the POEA.[17]

On the other hand, insurance coverage is not mandatory for direct-hired or name-hired, and rehired OFWs. An OFW is direct-hired or name-hired if he/she was engaged directly by foreign employers such as international organizations, diplomatic corps, and those who were able to get an employment without the assistance or participation of any recruitment/manning agency.[18] A rehired OFW on the other hand is one who has been re-engaged by the foreign principal without the participation of an agency.[19] Direct-hired, name-hired, or rehired OFWs, however, can avail themselves of this insurance by requesting their foreign employers to pay for the cost of the insurance coverage or they may pay for the premium themselves.

However, to resolve the issue of whether Nomer was covered by a compulsory insurance policy at the time of his death in 2012, the Court must initially determine the following:

1) Whether Nomer was rehired by Al Awadh Company without the participation of Eastern Overseas when his contract expired in 2009;

2) Whether Nomer returned to the Philippines in April 2011 as a *worker-on-leave*, or by virtue of an expired contract; and

---

[17] <http://poea.gov.ph/laws&rules/files/Insurance_OFW%20FAQs.pdf> (visited June 3, 2020)

[18] *Id.*

[19] See Rule II, No. 14 of the POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers.

3) Whether Nomer returned to Saudi Arabia in June 2011 to finish the unexpired portion of his contract, or by virtue of a new contract processed by Eastern Overseas.

Under Section 1, Rule 45 of the Rules of Court, petitions for review on *certiorari* shall raise only questions of law. A question of fact exists when there is a doubt as to the truth of certain facts, and it can only be resolved through a reexamination of the body of evidence.[20] Here, the issue of whether Nomer was agency-hired or a rehire of Al Awadh Company will require the Court to re-examine the evidence on hand.

It is well-settled that the Court is not a trier of facts. As a general rule, the Court will defer to the lower courts' or quasi-judicial agencies' appreciation and evaluation of evidence. However, there are exceptions to this general rule as eloquently enunciated in jurisprudence,[21] such as when the factual findings

---

[20] *Microsoft Corporation, et al. v. Farajallah, et al.*, 742 Phil. 775, 784 (2014), citing *Lacson v. MJ Lacson Development Company, Inc.*, 652 Phil. 34, 48 (2010).

[21] In *Salcedo v. People*, 400 Phil. 1302, 1308-1309 (2000). The Court enumerated some exceptions, as follows:

(1) When the factual findings of the Court of Appeals and the trial court are contradictory;

(2) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures;

(3) When the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd or impossible;

(4) When there is grave abuse of discretion in the appreciation of facts;

(5) When the appellate court, in making its findings, went beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;

(6) When the judgment of the Court of Appeals is premised on misapprehension of facts;

(7) When the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;

(8) When the findings of fact are themselves conflicting;

(9) When the findings of fact are conclusions without citation of the specific evidence on which they are based; and

(10) When the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record.

of the CA and the NLRC are contradictory. Indubitably, the case at bar falls under this exception. Thus, the Court proceeds to examine the factual milieu of the case.

Record shows that Nomer's employment contract ended in 2009. Notwithstanding the expiration of his contract, he continued working with Al Awadh Company until 2011. While it may be argued that Nomer was rehired by Al Awadh Company without Eastern Overseas' participation after the expiration of his contract in 2009, records show that Nomer came back to the Philippines in April 2011. Contrary to Eastern Overseas' contention that Nomer was merely on leave when he went back to the Philippines in April 2011, and that Nomer returned to Al Awadh Company in June 2011 as a rehire to finish the unexpired portion of his renewed 2009 contract, records disclose that Nomer's return to Al Awadh Company was by virtue of a new contract, processed on his behalf by Eastern Overseas. The Court notes Nomer's OFW Information Sheet[22] for his June 2011 deployment, *viz.*:

Overseas Filipino Worker (OFW) Information

Name :	ODULIO, NOMER POMEDA	
x x x	x x x	x x x
OFW Type :	Landbased (Worker-on-leave)	
x x x	x x x	x x x
Local Agent : CENTER	**EASTERN OVERSEAS EMPLOYMENT, INC.**	
Principal/Employer:	AL AWADH COMPANY TRADING AND CONTRACTING	
x x x	x x x	x x x
Contract status :	**New**	
x x x	x x x	x x x

[22] *Rollo*, p. 57.

Processing Unit : BMAD[23] (Emphasis supplied.)

Eastern Overseas being indicated as Nomer's local agent in his OFW Information Sheet in June 2011, the Court considers Nomer as an agency-hired worker when he returned to Al Awadh Company in June 2011. Likewise, considering that Nomer's OFW Information indicated his contract status to be "New," the Court finds it to be without merit petitioners' argument that Nomer was a rehire and a *worker-on-leave* who returned to Al Awadh Company just to finish the unexpired portion of his contract.

Eastern Overseas now banks on the fact that Nomer was indicated to be a *worker-on-leave* per his OFW Information Sheet. Being a *worker-on-leave*, Eastern Overseas contends that Nomer was a rehire; hence not covered by the compulsory insurance policy.

The Court is not persuaded.

To elucidate, a *worker-on-leave* is a worker who is on vacation or on leave from employment under a valid and existing employment contract, and who is returning to the same employer to finish the remaining unexpired portion of the contract.[24]

If Nomer was indeed a *worker-on-leave* when he returned to the Philippines in April 2011, the Court will have to concede to Eastern Overseas' argument that Nomer was not covered by compulsory insurance policy. This is because Nomer would be considered as merely on vacation and was still under the 2009 contract, he alone negotiated with Al Awadh Company. Being merely on leave, Nomer would have to return to Al Awadh Company to finish the unexpired portion of his 2009 contract. Eastern Overseas having no hand in the consummation of his 2009 contract, Nomer would not be indeed covered by any compulsory insurance policy under such circumstances.

---

[23] *Id.*

[24] <http://www.ofwguide.com/article_item-1593/POEA-Answers-Frequently-Asked-Questions-FAQ--of-Returning-OFWs--Balik-Manggagawa---BM--Processing.html> (visited June 3, 2020).

Being faced with two interpretations of Nomer's status of employment, the Court is inclined to rule in favor of Nomer's compulsory insurance policy coverage, in light of Article 1702 of the Labor Code,which provides that in case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living of the laborer.[25] While Nomer's OFW Information Sheet indicated that he was a worker-on-leave, the same document, as earlier discussed, indicated that his redeployment to Al Awadh Company on June 11, 2011 was by virtue of a new contract. The information sheet even stated that Eastern Overseas was Nomer's local agent, meaning it was the agency which processed his new contract with Al Awadh Company in June 2011. This negates the claim that Nomer was a *worker-on-leave* when he returned to the Philippines in April 2011.

To reiterate, insurance coverage is compulsory for agency-hired migrant workers. Nomer having availed himself of the services of Eastern Overseas in securing his employment with Al Awadh and deployment to Saudi Arabia in June 2011, the CA aptly reinstated the findings of facts of the LA and correctly ruled that Nomer was covered by a compulsory insurance policy.

Per Section 1 (b),[26] Guideline VII of the Insurance Guidelines on Rule XVI of the Omnibus Rules and Regulations Implementing RA 8042, the insurance benefit of an agency-hired OFW, such as Nomer, who suffered a natural death is US$10,000. Indubitably, the CA committed no error in reinstating the LA's award of $10,000 in favor of respondents. The award

---

[25] See *Leoncio v. MST Marine Services (Phils.), Inc., et al.*, 822 Phil. 494, 506 (2017). Citations omitted.

[26] Section 1. Minimum Benefits. —

The minimum insurance benefits contemplated herein shall include the following:

x x x x x x x x x

(b) Natural death, with at least Ten Thousand United States Dollars (US$10,000.00) benefit payable to the migrant worker's beneficiaries;

x x x x x x x x x

of 10% attorney's fees in favor of respondents is likewise affirmed.

Following the ruling in *Nacar v. Gallery Frames, et al.*,[27] the total monetary award shall earn an interest at the rate of 12% *per annum* from May 19, 2012 to June 30, 2013, and 6% interest rate from July 1, 2013 until full satisfaction.

WHEREFORE, the petition is **DENIED**. The Decision dated April 27, 2018 and the Resolution dated July 20, 2018 of the Court of Appeals in CA-G.R. SP No. 135583 which reinstated the Decision dated July 25, 2013 of the Labor Arbiter are **AFFIRMED** with **MODIFICATION** by imposing on the total monetary award an interest rate of 12% *per annum* from May 19, 2012 to June 30, 2013, and 6% interest rate from July 1, 2013 until full satisfaction.

SO ORDERED.

Perlas-Bernabe, S.A.J. (*Chairperson*), *Hernando, Delos Santos,* and *Baltazar-Padilla, JJ.*, concur.

SECOND DIVISION

[G.R. No. 243296. July 29, 2020]

CEFERINO BAUTISTA (substituted by his son and legal representative, PHILIP DE VERA BAUTISTA), FELISA BAUTISTA, and NEHEMIAS BAUTISTA, *petitioners*, *vs.* **SPOUSES FRANCIS and MINDA BALOLONG, METROPOLITAN BANK AND TRUST COMPANY, and THE REGISTER OF DEEDS, LINGAYEN, PANGASINAN,** *respondents.*

[27] 716 Phil. 267, 281-283 (2013).

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; PETITIONS UNDER RULE 45; ONLY QUESTIONS OF LAW MAY BE RAISED THEREIN.—** A petition for review on *certiorari* shall only raise questions of law. At the outset, the Court notes that the issue on whether Metrobank is a mortgagee in good faith generally cannot be entertained in a petition under Rule 45 since the ascertainment of good faith or lack thereof is a factual matter. The Court is not a trier of facts and is not into re-examination and re-evaluation of testimonial and documentary evidence on record. Though this rule admits of some exceptions, none is present in the case at bench. x x x [T]his Court may only delve into the facts of the case if there is a clear misapprehension of facts or when the inference drawn from the facts is manifestly mistaken. It is likewise settled that factual findings of the trial court, when affirmed by the CA, are generally binding on this Court. In the case at bench, the Court finds no cogent reason to deviate from the findings of both the RTC and the CA that respondent Metrobank was able to successfully discharge its burden of proving its status as a mortgagee in good faith.

2. **CIVIL LAW; MORTGAGE; MORTGAGEE IN GOOD FAITH; BEING A BUSINESS IMPRESSED WITH PUBLIC INTEREST, BANKS ARE EXPECTED TO EXERCISE A HIGHER DEGREE OF CARE AND DILIGENCE COMPARED TO PRIVATE INDIVIDUALS BEFORE ENTERING A MORTGAGE CONTRACT.—** As declared in *Andres v. Philippine National Bank*, the doctrine of protecting mortgagees in good faith emanates from the public interest embedded in the legal concept of granting indefeasibility of titles. Thus, a mortgagee has a right to rely in good faith on the Certificate of Title of the mortgagor of the property offered as security, and in the absence of any sign that might arouse suspicion, the mortgagee has no obligation to undertake further investigation. However, such rule does not apply to banks, which businesses are impressed with public interest. Thus, banks are expected to exercise a higher degree of care and diligence compared to private individuals before entering a mortgage contract.

APPEARANCES OF COUNSEL

The Law Firm of Habitan Ferrer Chan Tagapan Habitan & Associates for petitioners.
Public Attorney's Office for respondents Sps. Balolong.
R.S. Miranda for respondent Metrobank.

D E C I S I O N

DELOS SANTOS, *J.*:

The Case

Before the Court is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court assailing the Decision[2] dated June 7, 2018 and the Resolution[3] dated November 12, 2018 of the Court of Appeals (CA) in CA-G.R. CV No. 108449, which affirmed *in toto* the Decision[4] of the Regional Trial Court (RTC) of San Carlos City, Pangasinan, Branch 56, in finding respondent Metropolitan Bank and Trust Company (Metrobank) a mortgagee in good faith.

Facts and Procedural Antecedents

The present case originated from a Complaint[5] for cancellation of title/declaration of nullity of title, declaration of nullity of mortgage and damages, with prayer for writ of preliminary injunction filed by Spouses Ceferino and Felisa Bautista (Spouses Bautista), and their son Nehemias Bautista (Nehemias; collectively, petitioners), against respondents Spouses Francis Balolong (Francis) and Minda Balolong *y* Bautista (Minda;

---

[1] *Rollo*, pp. 10-42.

[2] Penned by Associate Justice Ricardo R. Rosario, with Associate Justices Eduardo B. Peralta, Jr. and Ronaldo Roberto B. Martin, concurring; *id.* at 45-52.

[3] *Id.* at 53-54.

[4] Penned by Presiding Judge Hermogenes C. Fernandez; *id.* at 55-66.

[5] *Id.* at 84-101.

collectively, Spouses Balolong), Metrobank, and the Register of Deeds of Lingayen, Pangasinan before the RTC.

Spouses Bautista were the registered owners of two (2) parcels of land situated in Lingayen, Pangasinan covered by Transfer Certificate of Title (TCT) Nos. 139362[6] and 163938.[7]

Sometime in the 1980s, Spouses Bautista and their son Nehemias migrated to Canada leaving the subject properties to the care of their daughter, Minda. Later, Minda married co-respondent Francis and they built their home on the subject properties.

On June 17, 2003, Spouses Bautista's other son, Philip, who was based in Marikina City, received a call from a Metrobank branch manager informing him that the property, which was mortgaged by Minda to the bank was due for foreclosure.[8]

Upon investigation by petitioners, TCT Nos. 139362 and 163938 under the name of Spouses Bautista were cancelled and the subject parcels of land were subdivided into the following: (1) Lot 1 covered by TCT No. 262244[9] in the name of respondents Minda and Francis; (2) Lot 2 covered by TCT No. 262245[10] in the name of William Bautista (Minda's brother); and (3) Lot 3 covered by TCT No. 262246[11] in the name of Nehemias.[12] Minda and Francis obtained a ₱1,500,000.00 loan from Metrobank secured by a mortgage on Lot 1.

Petitioners then filed a complaint before the RTC to stop the foreclosure of Lot 1. They alleged that Minda and Francis,

---

[6] *Id.* at 102.

[7] *Id.* at 103.

[8] TSN, August 22, 2005, pp. 167-168 and November 14, 2005, pp. 182-183 (Philip de Vera Bautista).

[9] *Rollo*, p. 104.

[10] *Id.* at 105.

[11] *Id.* at 106.

[12] *Id.* at 46.

through fraud and forgery, made it appear that Spouses Bautista sold Lot 1 to them. Spouses Bautista belied the execution of the Deed of Absolute Sale[13] dated March 9, 2002 and submitted proof that they were in Canada at that time.

Minda, on her part, denied any participation in the fraud and forgery committed by her husband Francis. Minda further claimed that her husband made her sign the mortgage under the belief that they were for a chattel mortgage of their vehicle and that her signatures appearing on the promissory notes and mortgage are forgeries.[14]

Francis did not file an answer so the RTC declared him in default.

Metrobank, however, insisted that they are a mortgagee in good faith. They conducted due diligence and approved the loan based on Spouses Balolong's capacity to pay the loan and on the identity of the subject property offered as a collateral. The bank has examined the Certificate of Title and found no defect on the title nor a reason to believe that there was fraud involved.[15]

The Ruling of the RTC

The RTC declared that the questioned Deed of Absolute Sale allegedly executed by Spouses Bautista was void and that their signatures thereon were forgeries. The falsity of the sale was also proven beyond reasonable doubt when Francis was charged with and convicted for the crime of Falsification of Public Documents by the Municipal Trial Court in Cities (MTCC)[16] of San Carlos City in Criminal Case No. 7874 pertaining to the subject Deed of Absolute Sale. However, the RTC deemed Metrobank as a mortgagee in good faith. Metrobank exercised due diligence in its dealing with Francis with respect to the

---

[13] *Id.* at 107-108.

[14] *Id.* at 142-146.

[15] *Id.* at 119-126.

[16] *Id.* at 118.

subject mortgaged property. The ocular inspection of the bank on the subject property and its verification of title in the Register of Deeds showed no indicia of suspicion. The RTC dismissed the case with respect to Minda and declared that only Francis is liable to petitioners and he should be made liable for his manifest fraudulent acts to petitioners based on the principle that no person shall enrich himself on the expense of another and also for damages.[17]

The *fallo* of the RTC Decision reads as follows:

WHEREFORE, premises considered, judgment is hereby rendered:

1. DISMISSING the case with respect to defendant Minda Balolong and defendant Metrobank[;]

2. DECLARING the Real Estate Mortgage and TCT No. 262244 in the name of defendants spouses Francis and Minda Balolong that was used as collateral in the real estate mortgage to be valid[,] binding[,] and effective on the ground of the principle of innocent mortgagee or buyer in good faith applicable to the defendant bank[;]

3. DECLARING TCT No. 262245 in the name of William Bautista as null and void;

4. DECLARING TCT No. 262246 in the name of plaintiff Nehemias Bautista as null and void;

5. ORDERING defendant Francis Balolong to pay the plaintiffs spouses Bautista an amount equivalent to the principal amount of the loan, which is Php1,500,000.00 as well as legal interest therein;

6. ORDERING defendant Francis Balolong to pay the plaintiffs spouses Php50,000.00 as moral damages, Php50,000.00 as exemplary damages[,] and Php50,000.00 as attorney's fees.

SO ORDERED.[18]

Aggrieved, petitioners appealed the case before the CA asserting that the RTC erred in dismissing the case against Minda

[17] *Id.* at 55-66.

[18] *Id.* at 65-66.

and Metrobank. Petitioners argued that the RTC erred in declaring the Real Estate Mortgage[19] and TCT No. 262244 under the name of Spouses Balolong on the ground of the principle of mortgagee in good faith applicable to Metrobank.

The Ruling of the CA

The CA affirmed the findings of the RTC *in toto*. The CA held that despite its finding that the Deed of Absolute Sale dated March 9, 2002 was void, the RTC correctly upheld the validity of the mortgaged property (Lot 1) and its foreclosure with Metrobank. Unlike ordinary mortgagees, banks are required to exercise a higher degree of care when dealing with registered lands. The CA opined that Metrobank had conducted the necessary due diligence in dealing with the property mortgaged to secure the loan of Francis and Minda. Metrobank was able to present sufficient evidence that the mortgage contract emanated from a valid and regular transaction, and that no fraud can be attributed to it in approving the real estate mortgage and in foreclosing it. The CA further held that the RTC properly ordered Francis to pay petitioners ₱1,500,000.00 by way of actual damages, in addition to moral damages, exemplary damages, and attorney's fees in the total amount of ₱150,000.00.[20]

The CA denied the motion for its reconsideration,[21] thus prompting petitioners to take recourse to this Court.

Issues

I.

Whether the CA committed serious and reversible error in ruling that Metrobank is a mortgagee in good faith.

II.

Whether the CA committed serious and reversible error in upholding the validity of the mortgage constituted over the

---

[19] *Id.* at 114.

[20] *Id.* at 49-52.

[21] *Id.* at 54.

subject property, as well as the foreclosure thereof, under the principle of mortgagee in good faith.

Our Ruling

A petition for review on *certiorari* shall only raise questions of law. At the outset, the Court notes that the issue on whether Metrobank is a mortgagee in good faith generally cannot be entertained in a petition under Rule 45 since the ascertainment of good faith or lack thereof is a factual matter. The Court is not a trier of facts and is not into re-examination and re-evaluation of testimonial and documentary evidence on record. Though this rule admits of some exceptions,[22] none is present in the case at bench.

Herein petitioners submit that the CA committed reversible error in affirming the Decision of the RTC that Metrobank is a mortgagee in good faith despite the lack of evidence on record to prove that it has exercised extraordinary diligence before approving the loan and mortgage contract. Petitioners further asseverate that other than the lone testimony of Marlon Magali (Magali), Branch Manager of Metrobank San Carlos City Branch, that he conducted credit investigation and ocular inspection over the subject property, Metrobank failed to present any credit investigation report, ocular inspection report or any document

---

[22] *Prudential Bank v. Rapanot*, 803 Phil. 294 (2017): (1) when the findings, are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of facts are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.

which would prove that the branch manager personally conducted neighborhood checking.

On the other hand, both the RTC and the CA ascertained good faith on the part of Metrobank. In its assailed Decision, the CA concurred with the RTC that Metrobank conducted the necessary due diligence in dealing with the property mortgaged to secure the loan of Spouses Balolong and that there was sufficient evidence to prove that the mortgage contract emanated from a valid and regular transaction.

Procedurally, each party in a case is required to present his or her own affirmative assertions by the degree of evidence required by law. In civil cases, a preponderance of evidence is the required quantum of evidence. Preponderance of evidence means an evidence which is of greater weight, or more convincing than that which is offered in opposition to it.[23] Thus, while it is incumbent upon a plaintiff to prove his or her case, the respondent or defendant must also prove his or her own allegations or defenses.

It is the discretion of each party to present all evidence at his or her disposal as part of the procedural strategy to advance his or her case.

Now to the issue of sufficiency of evidence raised by petitioners, there is no rule which requires that for testimonial evidence to be convincing, it must be corroborated by documentary or object evidence. As long as the testimonial evidence meet the required evidentiary quantum and is sufficiently persuasive, it can be given credence and accorded probative weight.

The testimony of Magali underwent the duress of cross-examination and likewise the perusal of the trial court. During the proceedings before the RTC, petitioners were given the opportunity to rebut the testimonies of Magali and to impugn the actual conduct of the ocular inspection and background

---

[23] *Quintos v. Development Bank of the Philippines*, 766 Phil. 601, 643 (2015).

check. It has not escaped the attention of this Court that in their appeal before the CA, petitioners acknowledged that Magali conducted an investigation although they insisted that such was conducted in haste. Petitioners only raised the issue of lack of documentary evidence when they moved for the reconsideration of the CA's Decision, which was rendered against them.

Magali's testimony dwelt on the specificities of the standard operating procedure of background checking Metrobank's loan applicants. Magali established that he conducted the due diligence required of bank officers before approving loan and mortgage applications. Both the RTC and the CA agreed that Metrobank, through Magali, conducted a thorough background check on the subject properties by conducting an ocular inspection on the property, verification of authenticity of the title with the Register of Deeds in Lingayen, Pangasinan, and the neighborhood check. Petitioners admitted that indeed Spouses Balolong resided on the subject land and that it was registered under their name in the fraudulently acquired TCT No. 262244.

Therefore, on the issue on whether Metrobank is a mortgagee in good faith, like the CA, this Court rules for respondent Metrobank.

As declared in *Andres v. Philippine National Bank*,[24] the doctrine of protecting mortgagees in good faith emanates from the public interest embedded in the legal concept of granting indefeasibility of titles. Thus, a mortgagee has a right to rely in good faith on the Certificate of Title of the mortgagor of the property offered as security, and in the absence of any sign that might arouse suspicion, the mortgagee has no obligation to undertake further investigation.[25]

However, such rule does not apply to banks, which businesses are impressed with public interest. Thus, banks are expected

---

[24] 745 Phil. 459 (2014).

[25] *Bank of Commerce v. Spouses San Pablo, Jr.*, 550 Phil. 805, 821 (2007).

to exercise a higher degree of care and diligence compared to private individuals before entering a mortgage contract.[26]

In *Arguelles v. Malarayat Rural Bank, Inc.*,[27] this Court held that:

> Since its business is impressed with public interest, the mortgagee-bank is duty-bound to be more cautious even in dealing with registered lands. Indeed, the rule that [a] person dealing with registered lands can rely solely on the certificate of title does not apply to banks. Thus, before approving a loan application, it is a standard operating practice for these institutions to conduct an ocular inspection of the property offered for mortgage and to verify the genuineness of the title to determine the real owners thereof. The apparent purpose of an ocular inspection is to protect the "true owner" of the property as well as innocent third parties with a right, interest or claim thereon from a usurper who may have acquired a fraudulent certificate of title thereto.[28]

Again, this Court may only delve into the facts of the case if there is a clear misapprehension of facts or when the inference drawn from the facts is manifestly mistaken. It is likewise settled that factual findings of the trial court, when affirmed by the CA, are generally binding on this Court. In the case at bench, the Court finds no cogent reason to deviate from the findings of both the RTC and the CA that respondent Metrobank was able to successfully discharge its burden of proving its status as a mortgagee in good faith. Thus, the Court quotes, with approval, the ruling of the CA which affirms the factual findings of the RTC, to wit:

> In this case, We find that Metrobank had conducted the necessary due diligence in dealing with the property mortgaged to secure the loan of Francis and Minda. As correctly found by the trial court, Metrobank had conducted a background check to find out if Minda and Francis had the means to pay their loan, and found that they did.

---

[26] *Ursal v. Court of Appeals*, 509 Phil. 628, 642 (2005).

[27] 730 Phil. 226 (2014).

[28] *Id.* at 237.

They also conducted a neighborhood check to confirm the same. They visited the mortgaged lot and found only Francis and Minda to be living thereon. They went to the Register of Deeds of Lingayen, Pangasinan and verified that the title covering Lot 1 is authentic. Thus, Metrobank presented sufficient evidence that the mortgage contract emanated from a valid and regular transaction, and that no fraud can be attributed to it in approving the real estate mortgage and, later, in foreclosing Lot 1.

Indeed, there was nothing that could have put Metrobank on alert that there was something suspicious about the entire transaction. Hard as it might be to believe, even Minda herself did not suspect that her husband Francis had committed the fraud that he did. Metrobank already did everything possible to verify the information given by Francis, and had gone out of its way to confirm the ownership of the lot mortgaged x x x.[29]

As such, Metrobank, as a mortgagee in good faith, is entitled to the protection such that its Real Estate Mortgage Contract with Spouses Balolong, as well as the registration of the subject parcel of land under TCT No. 262244 will no longer be nullified.

WHEREFORE, premises considered, this Court resolves to **DENY** the petition. The Decision dated June 7, 2018 and the Resolution dated November 12, 2018 of the Court of Appeals in CA-G.R. CV No. 108449 are hereby **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (*Chairperson*), *Hernando, Inting,* and *Baltazar-Padilla, JJ.*, concur.

---

[29] *Rollo*, p. 51.

SECOND DIVISION

[G.R. No. 246197. July 29, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee*, *vs.* **FELIMON SERAFIN *y* VINEGAS,** *accused-appellant*.

SYLLABUS

1. **CRIMINAL LAW; MURDER; ELEMENTS.—** To warrant a conviction for the crime of murder, the following essential elements must be present: (1) that a person was killed; (2) that the accused killed him or her; (3) that the killing was attended by any of the qualifying circumstances mentioned in Article 248 of the RPC; and (4) that the killing is not parricide or infanticide.

2. **ID.; AGGRAVATING CIRCUMSTANCES; ABUSE OF SUPERIOR STRENGTH; THE NOTORIOUS INEQUALITY OF FORCES BETWEEN THE PARTIES INVOLVED WAS HIGHLIGHTED IN: (1) THE ASSAILANT BEING A MALE; (2) HIS USE OF A BOLO; AND (3) THE PHYSICAL POSITION OF THE UNARMED VICTIM, WHERE SHE WAS NOT ABLE TO DEFEND HERSELF.—** The circumstance of abuse of superior strength is present whenever there is inequality of force between the victim and the aggressor, assuming a situation of superiority of strength notoriously advantageous for the aggressor, and the latter takes advantage of it in the commission of the crime. Evidence must show that the assailants consciously sought the advantage or that they had the deliberate intent to use this advantage. The appreciation of the aggravating circumstance of abuse of superior strength depends on the age, size and strength of the parties. Thus, in a long line of cases, the Court has consistently held that an attack made by a man with a deadly weapon upon an unarmed and defenseless woman constitutes the circumstance of abuse of that superiority which his sex and the weapon used in the act afforded him, and from which the woman was unable to defend herself. In this case, the quarrel between Felimon and Sionita started when the latter refused to lend money to Felimon, which was then followed by an exchange

of curse words, "*Putang-ina mo*". After, Felimon left and came back carrying with him a bolo. Through the categorical testimony of Jonathan, the prosecution was able to establish that Felimon purposely sought an advantage of using a bolo and had the intent to use the same in killing Sionita. "The notorious inequality of forces between Sionita and Felimon, was highlighted in: (1) Felimon being a male; (2) Felimon's use of a bolo; and (3) the physical position of unarmed Sionita, where she was not able to defend herself." Thus, the Court agrees that the crime committed by Felimon was murder qualified by abuse of superior strength.

3. **REMEDIAL LAW; EVIDENCE; DENIAL AND ALIBI; FOR THE DEFENSE OF ALIBI TO PROSPER, THE PARTY MUST PROVE THROUGH CLEAR AND CONVINCING EVIDENCE THAT NOT ONLY WAS HE IN ANOTHER PLACE AT THE TIME OF THE COMMISSION OF THE CRIME BUT ALSO THAT IT WAS PHYSICALLY IMPOSSIBLE FOR HIM TO BE AT THE SCENE OF THE CRIME.—** Between an affirmative assertion which has a ring of truth to it and a general denial, the former generally prevails. On the other hand, for the defense of alibi to prosper, appellant must prove through clear and convincing evidence that not only was he in another place at the time of the commission of the crime but also that it was physically impossible for him to be at the scene of the crime. In this case, it can easily be concluded that it is not physically impossible for Felimon to be at the crime scene. In fact, Felimon testified that immediately prior to hearing the commotion on Sionita's death, he and Sionita had grappled over a "*gulukan*". Thus, Felimon's denial is inherently weak and cannot prevail over the positive identification of prosecution witnesses Jonathan and Cherry.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

DECISION

DELOS SANTOS, *J.*:

This is an ordinary Appeal[1] filed by accused-appellant Felimon Serafin (Felimon) assailing the Decision[2] dated November 12, 2018 of the Court of Appeals (CA) in CA-G.R. CR-HC No. 09674 which affirmed the Decision[3] dated May 29, 2017 of the Regional Trial Court (RTC) of Lucena City, Branch 60 in Crim. Case No. 2000-612, finding him guilty beyond reasonable doubt of the crime of Murder, defined and penalized under Article No. 248 of the Revised Penal Code (RPC).

Facts

An Information[4] for the crime of Murder against Felimon was filed in the RTC docketed as Crim. Case No. 2000-612, that reads:

> That on or about 29th day of April 2000, at Barangay Mapagong, Municipality of Pagbilao, Province of Quezon, Philippines and within the jurisdiction of this Honorable Court, the above-named accused, armed with a bolo, with intent to kill and with treachery and taking advantage of his superior strength, did then and there willfully, unlawfully and feloniously attack, assault, hack and stab with said bolo one Sionita Regalario-Porta, thereby inflicting upon the latter, fatal wounds on vital parts of her body which directly caused her death.
>
> Contrary to Law.[5]

Upon arraignment on April 28, 2004, Felimon pleaded not guilty. And then, trial ensued.

---

[1] *Rollo*, pp. 12-13.

[2] Penned by Associate Justice Manuel M. Barrios, with Associate Justices Japar B. Dimaampao and Jhosep Y. Lopez, concurring; *id.* at 3-11.

[3] Penned by Acting Presiding Judge Agripino R. Bravo: CA *rollo*, pp. 53-62.

[4] Records, p. 2.

[5] *Id.*

Version of the Prosecution

The prosecution presented two witnesses: Jonathan Porta (Jonathan) and Cherry Nesola (Cherry). From their testimonies, the prosecution's viewpoint was synthesized as follows:

On April 29, 2000, around 4:00 in the afternoon, victim Sionita Regalario-Porta (Sionita) and her son, witness Jonathan, went to the house of a certain "Lakay" to ask for vegetables for their dinner, which the latter obliged. After which, they proceeded to relax at Lakay's balcony. After sometime, witness Cherry arrived and chatted with Sionita. When nighttime came, Felimon arrived at the house and demanded from Sionita the amount of ₱20.00. Sionita did not give in to Felimon's demand which led to a verbal altercation between them. Their fight was compounded by a previous squabble between Felimon's wife and Sionita. Felimon left in the middle of the heated exchange. After sometime, Felimon returned with his wife in tow and carrying a bolo. Felimon continued with his invectives and angrily said "*Isusunod kita sa nanay mo*." Felimon then hacked Sionita on her left shoulder and chest. Sionita's body dropped on the ground and profusely bled. Felimon thereafter fled the scene of the crime.

Version of the Defense

Felimon testified that on April 29, 2000, at around 6:30 in the evening, he was resting at his house after an exhausting day doing agricultural work. Enjoying the evening's peace, Felimon was alarmed upon hearing a disruptive commotion within his vicinity. The loud dispute led Felimon to Rodolfo Sta. Ana's (Rudy)[6] house where he saw his live-in partner, Felicidad Anino (Felicidad), arguing with Sionita, apparently due to an unpaid delivery service in their *labong* venture. Felimon immediately mediated but was unsuccessful in pacifying the angry women. Sionita suddenly grabbed a *gulukan* and attempted to hack Felicidad to which Felimon was able to parry, although his right forefinger was hit. Felimon and Sionita then grappled

[6] Also spelled as Rody in other parts of the *rollo*.

for the *gulukan* until the former successfully got a hold of it. Sionita retaliated by shouting invectives against Felimon but the latter ignored the same and just accompanied his partner away from the scene. Thereafter, Felimon was surprised to hear somebody calling for help to bring Sionita to the hospital.

Ruling of the RTC

After trial, the RTC found Felimon guilty beyond reasonable doubt of the crime of Murder and sentenced him to suffer the penalty of *reclusion perpetua*. The *fallo* of which reads:

> **WHEREFORE**, in view of the foregoing, this Court finding the accused **FELIMON SERAFIN y VINEGAS guilty** beyond reasonable doubt of the crime of Murder described and penalized under Article 248 of the Revised Penal [Code] for the killing of Sionita Regalario-Porta, he is hereby sentenced to suffer the penalty of imprisonment of ***reclusion perpetua***.
>
> He is likewise hereby ordered to pay the heirs of the victim by way of damages:
>
> (a) Php75,000.00 as indemnity;
> (b) Php40,000.00 as actual damages; and
> (c) Php50,000.00 as moral damages.
>
> The accused shall be entitled to the full credit of the preventive imprisonment he has rendered pursuant to Article 29 of the Revised Penal Code.
>
> SO ORDERED.[7]

In concluding that the crime was attended by abuse of superior strength, the trial court appreciated the fact that when Felimon used a bolo in repeatedly hacking and stabbing Sionita, notwithstanding his strength being a man, he ensured that the latter will be severely injured and that the same will cause her death.[8]

---

[7] CA *rollo*, p. 62. (Emphasis and italics in the original).

[8] *Id.*

Decision of the CA

On November 12, 2018, the CA rendered the assailed Decision[9] affirming the conviction of Felimon for the crime of Murder. Thus:

> **WHEREFORE**, premises considered, the appeal is **DENIED**. The Decision dated 29 May 2017 of the Regional Trial Court, Branch 60, Lucena City finding accused-appellant Felimon Serafin y Vinegas guilty beyond reasonable doubt of Murder is **AFFIRMED** with **MODIFICATION** in that accused-appellant is liable to pay the heirs of Sionita Regalario-Porta the following: ₱75,000.00 as civil indemnity, ₱75,000.00 as moral damages, ₱75,000.00 as exemplary damages, and the further sum of ₱50,000.00 as temperate damages. In addition, interest at the rate of six percent (6%) per annum shall be imposed on all the monetary awards from the date of finality of this decision until fully paid.
>
> **SO ORDERED.**[10]

Hence, this appeal. Both the Office of the Solicitor General[11] and the Public Attorney's Office,[12] representing the People and Felimon, respectively, have filed their manifestations that in lieu of supplemental briefs, they submit the case for resolution on the strength of their respective briefs filed before the CA.

Issue

Is Felimon guilty of the crime of murder?

The Court's Ruling

The appeal lacks merit.

To warrant a conviction for the crime of murder, the following essential elements must be present: (1) that a person was killed; (2) that the accused killed him or her; (3) that the killing was

---

[9] *Rollo*, pp. 3-11.

[10] *Id.* at 10.

[11] *Id.* at 25-28.

[12] *Id.* at 29-31.

attended by any of the qualifying circumstances mentioned in Article 248 of the RPC; and (4) that the killing is not parricide or infanticide. One of the circumstances mentioned in Article 248, which qualifies the killing of the victim to murder, is abuse of superior strength.[13]

Both the trial court and the CA appreciated the aggravating circumstance of abuse of superior strength to qualify the killing of Sionita to murder. In concurring with the trial court, the CA found that Felimon clearly took advantage of his physical superiority; and was armed with a bolo that he used to repeatedly hack Sionita, who in turn, was sitting on a bench and was not able to defend herself.

The circumstance of abuse of superior strength is present whenever there is inequality of force between the victim and the aggressor, assuming a situation of superiority of strength notoriously advantageous for the aggressor, and the latter takes advantage of it in the commission of the crime. Evidence must show that the assailants consciously sought the advantage or that they had the deliberate intent to use this advantage. The appreciation of the aggravating circumstance of abuse of superior strength depends on the age, size and strength of the parties. Thus, in a long line of cases, the Court has consistently held that an attack made by a man with a deadly weapon upon an unarmed and defenseless woman constitutes the circumstance of abuse of that superiority which his sex and the weapon used in the act afforded him, and from which the woman was unable to defend herself.[14]

In this case, the quarrel between Felimon and Sionita started when the latter refused to lend money to Felimon, which was then followed by an exchange of curse words, "*Putang-ina mo*." After, Felimon left and came back carrying with him a bolo. Through the categorical testimony of Jonathan, the prosecution

---

[13] *People v. Villanueva*, 807 Phil. 245, 252 (2017).

[14] *People v. Corpuz*, G.R. No. 215320, February 28, 2018, 856 SCRA 610, 623-624.

was able to establish that Felimon purposely sought an advantage of using a bolo and had the intent to use the same in killing Sionita. The notorious inequality of forces between Sionita and Felimon, was highlighted in: (1) Felimon being a male; (2) Felimon's use of a bolo; and (3) the physical position of unarmed Sionita, where she was not able to defend herself. Thus, the Court agrees that the crime committed by Felimon was murder qualified by abuse of superior strength.

Felimon likewise assails the alleged inconsistent testimonies of the prosecution witnesses. Particularly, Felimon pointed out inconsistencies in Jonathan's sworn statement and the latter's testimony given during the trial regarding the presence of Rudy (Sionita's brother) and the distance of Jonathan from his mother during the incident.

This allegation deserves scant consideration.

It is well-settled that immaterial and insignificant details do not discredit a testimony on the very material and significant point bearing on the very act of accused-appellants. As long as the testimonies of the witnesses corroborate one another on material points, minor inconsistencies therein cannot destroy their credibility. Inconsistencies on minor details do not undermine the integrity of a prosecution witness.[15]

Defense of denial is likewise unavailing. Between an affirmative assertion which has a ring of truth to it and a general denial, the former generally prevails. On the other hand, for the defense of alibi to prosper, appellant must prove through clear and convincing evidence that not only was he in another place at the time of the commission of the crime but also that it was physically impossible for him to be at the scene of the crime.[16]

---

[15] *People v. Mat-An*, G.R. No. 215720, February 21, 2018, 856 SCRA 282, 295.

[16] *People v. Cirbeto*, G.R. No. 231359, February 7, 2018, 855 SCRA 234, 248.

In this case, it can easily be concluded that it is not physically impossible for Felimon to be at the crime scene. In fact, Felimon testified that immediately prior to hearing the commotion on Sionita's death, he and Sionita had grappled over a "*gulukan*". Thus, Felimon's denial is inherently weak and cannot prevail over the positive identification of prosecution witnesses Jonathan and Cherry.

WHEREFORE, premises considered, the appeal is **DISMISSED**. The Decision dated November 12, 2018 of the Court of Appeals in CA-G.R. CR-HC No. 09674, which affirmed with modification the Decision dated May 29, 2017 of the Regional Trial Court of Lucena City, Branch 60 in Crim. Case No. 2000-612 is **AFFIRMED**. All the monetary awards shall earn interest at the rate of six percent (6%) *per annum* from the date of finality of this Decision until fully paid.

SO ORDERED.

Perlas-Bernabe, S.A.J. (*Chairperson*), *Hernando, Inting,* and *Baltazar-Padilla, JJ.*, concur.

EN BANC

[A.M. No. P-10-2812. August 18, 2020]
(Formerly OCA IPI No. 10-3420-P)

ANONYMOUS COMPLAINT AGAINST CLERK OF COURT V ATTY. ZENALFIE M. CUENCO, COURT INTERPRETER CHRISTIAN V. CABANILLA, COURT STENOGRAPHERS FILIPINAS M. YABUT and SIONY P. ABCEDE, and LOCALLY-FUNDED EMPLOYEE ALELI DE GUZMAN, all of the Regional Trial Court, Branch 72, Malabon City, and OFFICER VANISSA L. ASIS of the Philippine Mediation Center.

SYLLABUS

1. **POLITICAL LAW; ADMINISTRATIVE LAW; PUBLIC OFFICERS AND EMPLOYEES; COURT PERSONNEL; MUST REFLECT THEIR TRUE ARRIVAL AND DEPARTURE TIMES IN THE DAILY TIME RECORD (DTR) AND MUST DO SO PERSONALLY; SERIOUS DISHONESTY, FALSIFICATION OF OFFICIAL DOCUMENTS; AND GRAVE MISCONDUCT, COMMITTED IN CASE AT BAR.—** In *Samonte v. Roden*, the Court held that court employees must reflect their true arrival and departure times in the DTR, and must do so personally.

   > x x x [E]very court official and employee must truthfully and accurately indicate the time of his or her arrival at and departure from the office. The failure of an employee to reflect in the DTR card the actual times of arrival and departure not only reveals the employee's lack of candor but it also shows his/her disregard of office rules.
   >
   > Equally important is the fact that this Court has already held that the punching in of one's daily time record is a personal act of the holder. It cannot and should not be delegated to anyone else.

2. **ID.; ID.; ID.; SERIOUS DISHONESTY; FALSIFICATION OF PUBLIC DOCUMENT; MISCONDUCT; MAKING HANDWRITTEN ENTRIES ON THE DTR OF ANOTHER WHO CONSENTED TO IT AMOUNTS TO SERIOUS DISHONESTY, FALSIFICATION OF PUBLIC DOCUMENTS, AND MISCONDUCT; CASE AT BAR.—** Here, Judge Laurea and the OCA both determined that Atty. Cuenco made handwritten entries on Cabanilla's DTR and the latter consented to it by affixing his signature. The Court agrees with the OCA that the acts amount to serious dishonesty, falsification of official documents, and grave misconduct. The Court also observed that Atty. Cuenco and Cabanilla committed other acts of dishonesty and misconduct.

3. **ID.; ID.; ID.; ID.; ID.; ID.; OFFICE HOURS SHOULD BE DEVOTED TO THE PERFORMANCE OF OFFICIAL FUNCTIONS; LEAVING THE COURT TO ATTEND CLASSES WITHOUT REFLECTING IT IN THE DTR**

AMOUNTS TO SERIOUS GRAVE MISCONDUCT, AND FALSIFICATION OF OFFICIAL DOCUMENTS; CASE AT BAR.— In *Arabani, Jr. v. Arabani*, the Court held that office hours should be devoted to the performance of official functions. Section 1, Canon IV of the CCCP provides that *court personnel shall at all times perform official duties properly and with diligence. They shall commit themselves exclusively to the business and responsibilities of their office during working hours*. However, respondents Cabanilla, Abcede, and Yabut violated the canon.

Section 1, Canon IV of the CCCP mandates that court personnel shall commit themselves *exclusively* to the business and responsibilities of their office during working hours. Court personnel should strictly observe the prescribed office hours and the efficient use of every moment thereof to inspire public respect for the justice system. Thus, court officials and employees are at all times behooved to *strictly* observe official time because the image of a court of justice is necessarily mirrored in the conduct, official or otherwise, of the men and women who work thereat, from the judge to the last and lowest of its employees.

Here, Cabanilla admitted that he was enrolled in a nursing course while employed as court interpreter, and there were occasions that he left the court to attend classes. He also claimed that the former judge was lenient with him as he pursued his education. There were documentary and testimonial evidence to prove that he was absent at work and yet his DTRs showed otherwise. The pieces of evidence and his admissions point to the conclusion that he finished BS Nursing at the expense of the government and the public. His actions amount to serious dishonesty, grave misconduct, and falsification of official documents.

4. **ID.; ID.; ID.; CLERKS OF COURT; PRIMARY EMPLOYMENT, DEFINED; REVIEWING THE PLEADING OF A LITIGANT IS A VIOLATION OF THE CODE OF CONDUCT FOR COURT PERSONNEL; CASE AT BAR.—CASE AT BAR.—** [Atty. Cuenco] also admitted reviewing the pleading of a litigant, which compromised the integrity and impartiality expected from a court personnel. She also violated Section 5, Canon III of the Code of Conduct for Court Personnel (CCCP) which provides:

> SEC. 5. The full-time position in the Judiciary of every court personnel shall be the personnel's primary employment. For purposes of this Code, "primary employment" means the position that consumes the entire normal working hours of the court personnel and requires the personnel's exclusive attention in performing official duties.

5. **ID.; ID.; ID.; MISCONDUCT AND DISHONESTY, DEFINED.—** On misconduct and dishonesty, the case of *Duque v. Calpo* tells us the following:

> Misconduct is a transgression of some established and definite rule of action, more particularly, unlawful behavior or gross negligence by the public officer. It is intentional wrongdoing or deliberate violation of a rule of law or standard of behavior and to constitute an administrative offense, the misconduct should relate to or be connected with the performance of the official functions and duties of a public officer. In order to differentiate gross misconduct from simple misconduct, the elements of corruption, clear intent to violate the law, and not a mere error of judgment, or flagrant disregard of established rule, must be manifest in the former.
>
> On the other hand, dishonesty means "a disposition to lie, cheat, deceive or defraud; untrustworthiness; lack of integrity, lack of honesty, probity or integrity in principle; lack of fairness and straightforwardness; disposition to defraud, deceive or betray."

6. **ID.; ID.; ID.; CODE OF CONDUCT FOR COURT PERSONNEL; COURT PERSONNEL NOT TO ALTER, FALSIFY, DESTROY OR MUTILATE ANY RECORD WITHIN THEIR CONTROL; CASE AT BAR.—** [T]he investigations conducted by Judge Laurea and the OCA revealed that respondents Atty. Cuenco, Cabanilla, Abcede, and Yabut blatantly violated the established office circular and the Code of Conduct, and had been doing so for a long period of time. They violated Section 3, Canon IV of the CCCP, which states that *court personnel shall not alter, falsify, destroy or mutilate any record within their control.* This includes the DTR.

7. **ID.; ID.; ID.; INCOMPETENCE; A STENOGRAPHER WHO ALREADY FORGOT STENOGRAPHY WITHOUT DOING ANYTHING TO REGAIN HER SKILL IS GUILTY OF INCOMPETENCE; CASE AT BAR.—** As for Abcede, not only did she commit dishonesty in her attendance, she was also remiss in the non-performance of her duties as stenographer for years. She admitted that she already forgot stenography because the former judge assigned her to do other clerical work. However, after the retirement of the former judge, she did nothing to regain the skills required of a stenographer. She ignored Atty. Cuenco's directive to resume her duties as stenographer. Her conduct constitutes incompetence and serious dishonesty.

8. **ID.; ID.; ID.; THE SUPREME COURT CANNOT SHOW COMPASSION AND LENIENCY TO THOSE FOUND GUILTY OF GRAVE OFFENSE WITH DELIBERATE INTENT; CASE AT BAR.—** In *Office of the Court Administrator v. Cabrera-Faller*, the Court extended leniency and showed compassion to the erring court employees.

> [W]e have always taken advantage of every opportunity to show compassion and leniency in the imposition of administrative penalties on erring court employees. This is because work is as much a source of one's dignity as it is of one's income. While this Court will never tolerate any act of wrongdoing in the performance of duties, it would not be remiss in its mandate, should it extend just one more chance for court employees to improve their ways.

Sadly, the Court cannot grant the same leniency to the other respondents who are found guilty of grave offenses with deliberate intent to violate civil service rules. Specifically, it appears that there is collusion between Atty. Cuenco and Cabanilla as to the latter's attendance in order to accommodate his class schedule. There is also connivance between Atty. Cuenco and Abcede in intentionally assigning the other stenographers to sit on duty to conceal the latter's lack of stenography skills. The offenses of these respondents have robbed the court and the public of much needed service, warranting the penalty of dismissal.

9. **ID.; ID.; ID.; PENALTY FOR MULTIPLE ADMINISTRATIVE INFRACTIONS; IN CASE OF**

MULTIPLE ADMINISTRATIVE INFRACTIONS, THE COURT SHALL IMPOSE THE PENALTY CORRESPONDING TO THE MOST SERIOUS CHARGE AND CONSIDER THE REST AS AGGRAVATING CIRCUMSTANCES; CASE AT BAR.— In *Boston Finance and Investment Corp. v. Gonzalez*, the Court pronounced the penalty to be imposed for erring court personnel.

> On the other hand, as regards other court personnel who are not judges or justices, the CCCP governs the Court's exercise of disciplinary authority over them. It must be pointed out that the CCCP explicitly incorporates civil service rules.
>
> . . .
>
> Hence, offenses under civil service laws and rules committed by court personnel constitute violations of the CCCP, for which the offender will be held administratively liable. However, considering that the CCCP does not specify the sanctions for those violations, the Court has, **in the exercise of its discretion**, adopted the penalty provisions under existing civil service rules, such as the RRACCS, including Section 50 thereof.
>
> . . .
>
> . . .[T]he Court resolves that in administrative cases wherein the **respondent court personnel commits multiple administrative infractions, the Court, adopting Section 50 of the RRACCS, shall impose the penalty corresponding to the most serious charge, and consider the rest as aggravating circumstances.**

Section 50, Rule 10 of the 2017 Rules on Administrative Cases in the Civil Service classifies serious dishonesty, grave misconduct, and falsification of official document as grave offenses, which are penalized by dismissal from the service. Incompetence is likewise a grave offense, but is penalized with suspension for six months and one day to one year for first offense, and dismissal from the service for the second offense.

10. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; CONTEMPT OF COURT; INDIRECT CONTEMPT; USING COURT COMPUTER AND PRINTER TO**

PREPARE AND PRINT PLEADINGS FOR LITIGANTS MAY BE CONSIDERED IMPROPER CONDUCT TENDING, DIRECTLY OR INDIRECTLY, TO IMPEDE, OBSTRUCT, OR DEGRADE THE ADMINISTRATION OF JUSTICE, A GROUND FOR INDIRECT CONTEMPT; CASE AT BAR.— While De Guzman was never an employee of the Court, still she committed violations of the court's reasonable office rules and regulations when she used the court computer and printer to prepare and print pleadings for the litigants. Her actions may be considered as "improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice," thus, a ground for indirect contempt. While the Court cannot exercise administrative supervision over her since, based on the records, her detail to the said RTC was not even approved, therefore, she is not a court employee, still she must be held accountable for her acts of disrespect towards the Judiciary. Also, since according to De Guzman she is no longer connected with any government institution, a recommendation of referral to the local government unit would not serve any practical purpose. For this reason, the Court deems it proper to refer De Guzman's case to the Presiding Judge of Malabon RTC, Branch 72 and direct said Judge to commence contempt proceedings against De Guzman. The findings in this administrative case may be taken cognizance of by said court in the contempt proceedings.

LEONEN*, J., separate concurring opinion*:

1. **POLITICAL LAW; CONSTITUTIONAL LAW; SUPREME COURT ADMINISTRATIVE CIRCULAR NO. 28-08; DETAIL; DETAIL OF LOCALLY-FUNDED PERSONNEL TO THE LOWER COURTS.—** Supreme Court Administrative Circular No. 28-08 or the *Guidelines in the Detail of Locally-Funded Employees to the Lower Courts* provides that the detail of locally-funded personnel to the lower courts shall be preceded by a request that is duly approved by the Supreme Court, through the OCA. . . .

   In view of the confidentiality intertwined with court dealings, the tasks assigned to locally-funded employees are subject to the . . . limitations.

2. ID.; ID.; ID.; ID.; ID.; ADMINISTRATIVE SUPERVISION AND DISCIPLINARY AUTHORITY OVER THE DETAILED EMPLOYEE; TO THE EXCLUSION OF SPECIFIC PERSONNEL ACTIONS, THE CONCERNED LOCAL GOVERNMENT UNIT (LGU) ABANDONS ITS ADMINISTRATIVE SUPERVISION OVER THE LOCALLY-FUNDED PERSONNEL DURING THE PERIOD OF ASSIGNMENT AND GIVES WAY TO THE SUPREME COURT.— To the exclusion of specific personnel actions, the concerned Local Government Unit abandons its administrative supervision over the locally-funded personnel during the period of assignment and gives way to the Supreme Court: . . .

By virtue of administrative supervision, this Court oversees the locally-funded personnel's conformity with the rules and laws, and may proceed with appropriate administrative actions in case of any violation or deviation thereof.

Notably, *Malanyaon v. Galang* resolved whether this Court may discipline an erring locally-funded employee duly assigned or detailed to the lower court. In that case, respondent Deputy Sheriff Galang was adjudged negligent in the performance of his functions for failing, to serve the writ of execution to defendant Tan Kim in the addresses supplied by petitioner Malanyaon. Although Galang was an appointee of the then Mayor of Manila and the authority to discipline, suspend, and remove lies with the latter, this Court nevertheless held Galang accountable for his actions by imposing upon him the penalty of fine and by withdrawing his authority to perform his duties as Sheriff.

3. ID.; ID.; ID.; ID.; ID.; A LOCALLY-FUNDED EMPLOYEE WHOSE ASSIGNMENT OR DETAIL TO THE LOWER COURT IS APPROVED ATTAINS THE STATUS OF AN OFFICER OF THE COURT, WHO IS EXPECTED TO EMPLOY A HIGH STANDARD OF COMPETENCE AND ACCOUNTABILITY.— [C]onsidering that a locally-funded employee whose assignment or detail to the lower court is approved attains the status of an "officer of the court," he or she is expected to employ a high standard of competence and accountability "as service in the judiciary is not only a duty; it is a mission."

On this Court's part, it "is duty-bound to sternly wield a corrective hand to discipline errant employees and to weed out those who are found undesirable." It cannot tolerate any actuation which disrupts the "norm of public accountability, which would diminish the faith of the people to the Judiciary."

4. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; CONTEMPT; INDIRECT CONTEMPT; A LOCALLY-FUNDED EMPLOYEE WHOSE DETAIL TO THE LOWER COURT IS NOT DULY APPROVED IS LIABLE FOR MISREPRESENTATION, A GROUND FOR INDIRECT CONTEMPT OF COURT; CASE AT BAR.—** Nevertheless, in this case, it was confirmed by the OCA Chief of Office that De Guzman's detail before Branch 72 was not duly approved. This, notwithstanding, De Guzman should be held accountable for her misdeeds which, following Section 3, Rule 71 of the Rules of Court, may constitute indirect contempt of court:

. . .

> **d) Any improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice; e) Assuming to be an attorney or an officer of a court, and acting as such without authority. . . .**

From Judge Laurea's Report, De Guzman was purportedly in cahoots with other court employees in making money out of cases filed before Branch 72. Even without a duly approved assignment, De Guzman seemingly acted as a court personnel, which, in my mind, was a means to lure litigants into paying for a consideration in exchange for unwarranted favors and benefits such as "favorable or speedy actions and early settings" of their cases. Apart from this, it was discovered that De Guzman also took part in causing the arrest of accused in archived cases "who would later be released after payment of consideration."

Although further surveillance was recommended to adduce evidence for the above findings, it is my view that De Guzman's transgressions should, as a matter of course, be dealt with accordingly. Considering that the image of a court is reflected in the official and personal conduct of its employees, she should be made liable for her misrepresentation that not only degrades the administration of justice, but also erodes the people's confidence to the courts.

DECISION

***PER CURIAM*:**

This is an administrative case against trial court employees, who, among other offenses, were found to have falsified daily time records (DTRs), attended school during office hours, and lacked the required skills expected of one's position.

The Facts

In an undated Letter-Complaint[1] from the *Taongbayan ng Pilipinas*, respondents Clerk of Court V Atty. Zenalfie M. Cuenco (Atty. Cuenco), Court Interpreter Christian V. Cabanilla (Cabanilla), Stenographers Filipinas M. Yabut (Yabut) and Siony P. Abcede (Abcede), Local Government-Funded employee Aleli De Guzman (De Guzman), and Mediation Officer Vanissa L. Asis (Asis; collectively, respondents) were the subject of various irregularities in the Malabon City Regional Trial Court (Malabon RTC), Branch 72, as follows.

1. Siya [Atty. Cuenco] po ay isang corrupt ng Branch 72, RTC, Malabon City sapagkat lahat po na dokumento na may pirma niya ay may bayad at walang resibo. Siya po ay may kasabwat na tauhan ng isang detailed ng Munisipyo ng Malabon na si Aleli de Guzman at isang kabit ng pulis ng Malabon. Ginagawa rin po nila ang nasabing opisina na isang law office, kaya po sila ay kumikita ng walang gastos.

2. Pumapasok po ang nasabing abogada sa gusto niyang oras at ito po ay labag sa batas na nakasaad sa kanyang DTR.

3. Pinahihintulutan din po niya ang kanyang Court Interpreter na pumasok sa eskwela ngunit naka-in sa opisina at ito ay hindi alam ng Judge ang gawain niyang ito sapagkat pinahahalili niya ang Legal Researcher kapag may hearing na nagaganap na nasabing hukuman.

4. Pinahihintulutan din po niya ang isang Court Stenographer na si Ms. Siony Abcede na huwag magduty sa mga hearing na nagaganap sapagkat hati sila ng suweldo nito. Ang

[1] *Rollo*, pp. 3-4.

stenographer na ito ay hindi marunong magsteno na isang requirement para maging stenographer, pero siya ay isang pang permanent status. Paano po ito nangyari at pinayagan ng katas-taasang Hukuman. Di ba unfair naman ito sa tunay na mga stenographers?

5. Pinahihintulutan din po niya na magkaroon ng sugalan sa nasabing opisina sapagkat ang kanyang mga empleyadong lalaki ay kasali dito at iba pang empleyado ng ibang branch ng RTC, Malabon City.

6. Pinahihintulutan din po niya ang isa niyang empleyado na si Filipinas M. Yabut na pumasok sa gusto niyang oras at kung kailan gustong bumalik sa opisina araw-araw ito.

7. Pinahihintulutan din po niya ang isang staff ng Mediation na si Vaniss Asis na magdala ng lalaki at gamitin ang Chamber ng Judge upang sila ay duon manatili at maglambingan dito.

8. Lahat po na mga ebidensiyang pera [ay] ginagamit niya sa pansariling kapakanan at ang mga *[shabu]* na ebidensiya ay nawawala.[2]

The Office of the Court Administrator (OCA) indorsed the Letter-Complaint to Malabon RTC Executive Judge Emmanuel D. Laurea (Judge Laurea) for discreet investigation and report.[3]

Judge Laurea's Report

In his May 26, 2010 Report,[4] Judge Laurea narrated the following findings:

1. On February 22, 2010, Stenographers Ma. Eloisa D. Bueno (Bueno) and Mary Ann R. Buzon (Buzon) of Malabon RTC, Branch 72 informed Judge Laurea that Atty. Cuenco required them to sign an agreement[5] of no objection to Abcede not going on duty as stenographer during court hearings. They

---

[2] *Id.*

[3] *Id.* at 15.

[4] *Id.* at 6-14. Judge Laurea's Report was supported by sworn statements of court employees in Malabon RTC, Branch 72 and a report from the officer-in-charge of the security guards.

[5] *Id.* at 18.

expressed their reluctance to be a part of this irregularity; Abcede verbally admitted to Judge Laurea that she has no stenographic skills although she holds the position of a stenographer.[6]

2. Atty. Cuenco allowed some court employees to be absent or late for work and not reflect it in their DTRs.

    a. First, she allowed Court Interpreter Cabanilla to attend classes during office hours, while the legal researcher took on Cabanilla's work. Judge Laurea instructed the Officer-in-Charge of the Security Guards (Security OIC), Elegio A. Adaza,[7] to verify Cabanilla's attendance from April 28, 2010 to May 7, 2010. Judge Laurea was informed that Cabanilla did not report for work during the said period. However, the attendance logbook for March 31, 2010 to May 12, 2010 showed that Cabanilla reported for work during that period, except on May 6, 2010.[8]

       Judge Laurea obtained a copy of Cabanilla's registration cards from Our Lady of Fatima University, and it revealed that his classes were from 8:00 a.m. to 5:00 p.m., Mondays to Fridays, for most part of the year, particularly during summer. However, he had a near perfect attendance in court for 2009. His February 2010 DTR showed that he was on leave for that month, except on February 1, 18, and 19.[9]

       Judge Laurea observed that: (1) there were handwritten entries in Cabanilla's DTRs for March, April, July, and August 2009 and March 2010; (2) Cabanilla's signature in his March 2010 DTR appeared to be different from his usual signature; and (3) the entries were in Atty. Cuenco's handwriting.[10]

---

[6] *Id.* at 6.

[7] *Id.* at 7.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 7-8.

Judge Laurea opined that Atty. Cuenco cannot feign ignorance on the DTRs' irregularities and Cabanilla's absences for months and years, because she was the immediate supervisor. Judge Laurea found out that Cabanilla graduated in BS Nursing from Our Lady of Fatima University in April 2010. The university would not have allowed Cabanilla to graduate if he incurred several absences in school and in his hospital duties.[11]

b. Second, Atty. Cuenco allowed Stenographer Yabut to come to and leave work anytime she pleased. Judge Laurea also asked the Security OIC to verify Yabut's attendance. It was discovered that Yabut was tardy and it was not reflected in her DTR. Judge Laurea noted that Yabut was the only stenographer who signed the agreement.[12]

3. Atty. Cuenco kept all criminal records locked up to the exclusion of Criminal Records Clerk-in-Charge Leo Angelo Provido (Provido). The few individuals who had limited access were Abcede, De Guzman, and Asis. Judge Laurea noted that this is highly irregular considering that the Malabon RTC, Branch 72 is a special drugs court.[13]

4. Abcede and De Guzman attended to the accused and their families regarding the posting of bail and setting of hearings, which are all subject to Atty. Cuenco's approval. It was reported that: (a) favorable or speedy action and early settings were granted if consideration was paid; and (b) Atty. Cuenco and De Guzman took interest on archived cases, with De Guzman coordinating with the police for the arrest of the accused, who would later be released upon payment of consideration. Judge Laurea remarked that surveillance and entrapment are necessary to obtain evidence on these allegations.[14]

---

[11] *Id.*

[12] *Id.* at 8.

[13] *Id.*

[14] *Id.* at 9.

5. The allegation of gambling was unverifiable due to the lack of witnesses.[15]

6. Buzon narrated an incident when the then Presiding Judge Benjamin Aquino instructed her to get an evidence. However, Atty. Cuenco told her that it was missing. To avoid the judge's anger, they made it appear that the evidence was turned over to the Philippine Drug Enforcement Agency (PDEA). Buzon also reported that Atty. Cuenco removed actual buy-bust money from the records after the accused had been acquitted, and did not return to the police officers.[16]

The OCA's Report

In its June 23, 2010 Report, the OCA found *prima facie* evidence to hold respondents administratively liable and place them under indefinite suspension pending resolution of this case. The OCA then assembled a team to conduct an inventory of the court exhibits due to allegations of evidence tampering and misappropriation.[17]

The OCA directed all respondents to comment on the Letter-Complaint and Judge Laurea's Report, while De Guzman was ordered to return to her mother unit, finding that her detail to the Malabon RTC, Branch 72 was not approved.[18]

In the July 21, 2010 Resolution, the Court approved and adopted the OCA's recommendations.[19] In the August 4, 2010 Resolution, the Court required the respondents to file their respective comments.[20] Atty. Cuenco, Cabanilla, Abcede, and Yabut moved for reconsideration of their indefinite suspension

---

[15] *Id.*

[16] *Id.* at 10-11.

[17] *Id.* at 128.

[18] *Id.* at 128-129.

[19] *Id.* at 130-131.

[20] *Id.* at 133.

without pay,[21] which the Court denied with finality in its January 10, 2011 Resolution.[22]

Comments on the Letter-Complaint and Judge Laurea's Report

1. Atty. Cuenco denied all the allegations against her. According to her, she only required the presentation of official receipts from the Office of the Clerk of Court before acting on the requests for certifications.[23] Her attendance and that of Cabanilla and Yabut are in order. It was the former presiding judge who signed Cabanilla's DTR beginning April 2009, and who directed the legal researcher to assume Cabanilla's duties as court interpreter whenever he was absent. Also, Cabanilla's school registration cards only showed the subjects enrolled and the schedule, but did not prove that he was present in school at all times. Cabanilla also applied for leaves of absence and half-days to attend his class.[24]

   Atty. Cuenco admitted that Abcede had no stenographic knowledge; thus, she called for a meeting with the stenographers and they agreed that the rest of them would go on duty on rotational basis. She denied forcing anyone to sign an agreement, or that she had a share in Abcede's salary.[25]

   Atty. Cuenco denied authorizing De Guzman to handle bail bonds as it was designated to the criminal records clerk-in-charge. Neither did De Guzman manage the court calendar and records,[26] nor had access to the criminal case records. All criminal case records were kept in a locked cabinet, where she and the criminal records clerk-in-charge have the keys.

---

[21] *Id.* at 136-172.

[22] *Id.* at 615-616.

[23] *Id.* at 202.

[24] *Id.* at 205-207.

[25] *Id.* at 208.

[26] *Id.* at 212.

Abcede had access to the records only because it was incidental to her duty.[27]

Atty. Cuenco denied taking the buy-bust money and the illegal drugs used as court exhibits, as they were turned over to the PDEA.[28] She also denied any gambling activities in the court, or that she converted it into a law office, or that she allowed Asis to stay in the chamber with her boyfriend.[29]

2. Cabanilla acknowledged that it was through the leniency of the former presiding judge that he was able to finish BS Nursing while employed as court interpreter. He admitted that since the school was nearby, there were instances when he left the court to attend classes and returned afterwards. It was also the former presiding judge who designated the legal researcher to act as court interpreter on occasions when he was absent. He claimed that he used up all his leave credits resulting to leave without pay from January to July 2010.[30]

He denied that Atty. Cuenco allowed him to tamper with his DTRs to make it appear that he was present in court while attending his classes. He also disagreed with the security guard's report that he was absent from April 28 to May 7, 2010, because he was on duty at that time and even signed ahead of his officemates. He explained that his 8:00 a.m. to 5:00 p.m. class schedule was for enrolment purposes only and was not followed. The classes were divided into three batches: 8:00 a.m. to 12:00 noon, 1:00 p.m. to 5:00 p.m., and 5:00 p.m. to 9:00 p.m. During his third and fourth year in school, he attended the last batch of class or none at all.[31]

He denied not returning to court on May 18, 2010 when he attended Atty. Cuenco's wedding reception. He maintained

---

[27] *Id.* at 215.

[28] *Id.* at 213-215.

[29] *Id.* at 210-212.

[30] *Id.* at 289-291.

[31] *Id.* at 293-295.

that he and Abcede returned immediately before 12:00 noon, but he forgot to sign in because he could not find the logbook. He only signed in when he returned to work several days later. He also denied taking part in any gambling activity in court.[32]

3. Abcede admitted that she initially knew stenography, but she eventually forgot it because the then presiding judge assigned her to do clerical work. After the latter's retirement, a staff meeting was held and she was told to resume her stenographic duties. She ignored it because it has been a long time since she performed such duties. It was agreed that the other stenographers would take over her duties on rotational basis. She denied admitting to Judge Laurea that she had no knowledge in stenography, and that she divided her salary with Atty. Cuenco. However, she confirmed that she and Cabanilla returned to court after attending the wedding reception of Atty. Cuenco, but their co-workers could not have seen them because they were in another room.[33]

4. Yabut corroborated the agreement among stenographers and she acceded to it so as not to disrupt the court operation. The court calendar would show that Abcede did not perform a single stenographic duty from 2002 to July 2010. She denied that she would only report for work if she has stenographic duty, and contended that she was neither late nor absent from April 28 to May 5, 2010.[34]

The records do not show that De Guzman and Asis filed their comments despite order to do so. After receiving the respondents' comments, the Court resolved to refer the matter to the OCA for evaluation, report and recommendation.[35]

---

[32] *Id.* at 292.

[33] *Id.* at 184.

[34] *Id.* at 167-168.

[35] *Id.* at 616.

The OCA's Supplemental Report

The OCA organized a team to conduct an inventory and investigation on the reported irregularities in the Malabon RTC, Branch 72, presided by Acting Judge Carlos M. Flores. The team made the following conclusions in its August 19, 2010 Memorandum:[36]

(a) The attendance of Clerk of Court Atty. Cuenco, Court Interpreter Cabanilla and Court Stenographers Abcede and Yabut are tainted with fabricated/inaccurate entries, as reflected in their DTRs and the court's attendance logbook[.]

(b) With assistance from the personnel of the Management and Information Systems Office (MISO), and as witnessed by Clerk of Court Esmeralda Dizon of the Office of the Clerk of Court-RTC, Malabon City, it was discovered that the contents of the computer officially issued by the Court to RTC, Branch 72 contained *draft pleadings* for private litigants that have pending cases with the said branch, RTC Branch 73, Malabon City, the Office of the City Prosecutor of Navotas and Malabon City, and the People Law Enforcement Board, Caloocan City.

(c) The Application for Leave dated March 29, 2010 of Cabanilla does not bear his true signature.[37]

The OCA reported that two court employees, Process Server Percival S. Ponciano (Ponciano) and Sheriff Rodolfo V. Tongco (Tongco), executed sworn statements corroborating the allegations against the respondents.[38]

In Ponciano's sworn statement, he recounted that sometime in October 2009, Cabanilla instructed him to bring the DTR and the court attendance logbook to Polo Valenzuela Hospital, where he was on duty as a student-nurse. Upon receiving the DTR and the court attendance logbook, Cabanilla signed in. This was done with Atty. Cuenco's consent.[39]

---

[36] *Id.* at 638-657.

[37] *Id.* at 639.

[38] *Id.* at 655-656.

[39] *Id.* at 655, 768.

On the other hand, Tongco confirmed that Cabanilla was a BS Nursing student at Our Lady of Fatima University from 2006 to 2010. He relayed that there were occasions that he saw Cabanilla attend court hearings in his nursing uniform.[40]

Both Ponciano and Tongco confirmed that they have never seen Abcede perform her duties as court stenographer in actual court hearings. Ponciano also revealed that Atty. Cuenco prepared an agreement that the other stenographers had no objection to Abcede not appearing in court hearings. When Buzon and Bueno refused to sign the agreement, they had a falling out with Atty. Cuenco.[41]

The OCA recommended that the respondents be ordered to comment on the anonymous complaint, Judge Laurea's Report, and the OCA's Supplemental Report.[42]

Comments on the OCA's Supplemental Report

1. Atty. Cuenco contested the accuracy of the security guard's logbook, specifically the entries on April 28 and May 28, 2010. The logbook entry on April 28, 2010 showed that the security guard relied on the janitor's information on her arrival time. The logbook entry on May 28, 2010 indicated that she left the court with De Guzman on board a tricycle. She alleged that she arrived at 8:00 a.m. in court, then went to the Supreme Court, and returned to the RTC at 4:30 p.m. to log out. She averred that the security guard was not always in his post whenever she arrived in the morning. She asserted that since the logbook was placed at the security guard's table and

---

[40] *Id.* at 655, 770-771.

[41] *Id.* at 655-656, 769-770.

[42] The OCA also recommended that Sheriff Tongco be included as respondent, because they found irregularities in his attendance. However, during the pendency of the case, Tongco died without filing his comment. Thus, in the January 11, 2016 Resolution, the Court resolved to adopt the OCA's recommendation and dismissed the charges against Tongco for lack of due process and substantial evidence. *Id.* at 656, 1223-1225, 1540.

due to heavy workload, she was unable to update her DTR daily.[43]

She denied authorizing anybody to bring the logbook to Cabanilla at Polo, Valenzuela Hospital so he could log in. She confirmed that he studied BS Nursing while employed as court interpreter. She admitted that: (1) on March 31, 2010, she wrote on the logbook on Cabanilla's behalf, and (2) on April 23, 2010, she wrote "half-day" in Cabanilla's name in the logbook to prevent insertion. She did so because he left in a hurry, and as clerk of court, she believed she was authorized to do so.[44]

She disowns most of the pleadings found in her computer, except for the motion for reconsideration of a police officer. She explained that the motion had to be transferred to her computer because the flash drive where it was contained was attached to the police officer's car key. She insisted that all court employees have access to her computer, including De Guzman, who admitted preparing the pleadings at home and printing them in the office. De Guzman saved the pleadings in her computer for printing and emailing purposes.[45]

She maintained that she played no other role in the stenographers' agreement to assume Abcede's workload since she lacks stenographic skills. She also inherited the problem on Abcede's lack of skill when she was appointed in 2005.[46]

2. Cabanilla alleged that he wrote the entries in the DTRs for March, April, July, and August 2009. He apologized for believing that the DTR may be written by anyone as long as these were copied from the court attendance logbook.[47]

---

[43] *Id.* at 1020-1021.

[44] *Id.* at 1034.

[45] *Id.* at 1025.

[46] *Id.* at 1029.

[47] *Id.* at 1120.

He averred that the signature appearing in the logbook on April 23, 2010 was his, but the time "12:00 out" was not. It was written by Atty. Cuenco without his consent. He did not log out on that day because he could not locate the logbook and had to leave immediately. He denied filling out a leave form on March 29, 2010 and was surprised that he had one when in fact he was present at work. He also disowned the signature appearing in the logbook on March 31, 2010 and maintained that he did not authorize anyone to sign on his behalf. However, he admitted that his July 1-13, 2010 DTR did not contain a single entry when the investigating team arrived. It was a common practice that court employees sign the logbook upon arrival and departure and the entries were to be transferred on the DTR on the 15th and last day of the month.[48]

He assailed the entries in the security guard's logbook for being inconsistent and unreliable. There is only one guard on duty for the whole RTC compound, making it impossible for him to monitor and record the precise arrival and departure time of all court employees. He clarified that: (1) in those entries appearing that he arrived at 1:00 p.m., the guard could have thought that he just arrived when in fact he merely bought lunch across the court; (2) he was present on April 29, 2010 as evidenced by his notes on the court calendar and his signature on the certificate of arraignment; (3) he signed the logbook on April 28 to 30, 2010 ahead of half of the court staff; (4) he was present from April 28 to June 29, 2010 as he was the interpreter on duty during the hearings every Monday, Thursday and Friday; (5) on May 11, 14, and 18, 2010, he signed in ahead of Yabut, who arrived at midday, but the guard recorded that he arrived later than Yabut; (6) he was present on June 7, 2010 as he signed in ahead of Buzon and as evidenced by the minutes of the court proceedings; and (7) he was also present on June 17, 2010 as he signed in ahead of Atty. Cuenco.[49]

---

[48] *Id.* at 1122-1123.

[49] *Id.* at 1125-1128.

He admitted studying BS Nursing, but contended that the school was lenient to second coursers and gave them the opportunity to choose their class schedules. He reiterated that the schedules on the registration card do not reflect the actual class schedules as the professors change it from time to time.[50]

He submitted a flash drive containing a video of Criminal Records Clerk-in-Charge, Provido, punching in and out six DTRs belonging to the staff of Branch 72.[51]

3. Abcede reiterated her earlier comments that: (1) she initially had stenographic skills, but forgot them since she performed clerical work; (2) she did not share her salary with Atty. Cuenco; and (3) she did not make a verbal admission to Judge Laurea as to her lack of stenographic skills. As for her attendance on June 15, 2010, she explained that she went to the Supreme Court and returned in the afternoon, but the guard may not have noticed her.[52]

4. Yabut claimed that she was present on May 21, 24-25, and 31, June 2, 7, 11, 17, and 21, 2010. In fact, she was the stenographer on duty on June 17, 2010. On July 13, 2010, she admitted that she accomplished her DTR in the morning as she had to take care of her sick child. She conceded that there were times when she failed to log in and would only sign in the following day because she had to attend to her children.[53]

5. De Guzman averred that after the former judge's retirement party, the staff went their separate ways and no drinking spree took place.[54]

---

[50] *Id.* at 1132.

[51] *Id.* at 1134.

[52] *Id.* at 1153-1161.

[53] *Id.* at 1184-1185.

[54] *Id.* at 1188.

The records again do not show that Asis filed her comment. On March 2, 2012, Atty. Cuenco filed a resignation letter,[55] which was accepted by the Court in a Notice dated August 14, 2012, without prejudice to the outcome of this case.[56] The Court then referred the case to the OCA for evaluation, report, and recommendation.[57]

The OCA's January 26, 2015 Report

1. Irregularities/Falsification in the DTR

The OCA's own investigation confirmed Judge Laurea's finding that: (1) the handwritten entries in Cabanilla's DTRs for March, April, July and August 2009 and March 2010 were strikingly different from his usual penmanship; (2) Cabanilla's signature in his March 2010 DTR was also different from his customary signature; and (3) the handwritten entries in Cabanilla's DTRs were stunningly similar to Atty. Cuenco's.[58]

The OCA ascertained that the act violated OCA Circular No. 7-2003, which requires that the entries in the DTR should be a personal act of the holder. It also amounts to dishonesty, falsification of public documents, and misconduct. Although Cabanilla disowned the entries, the subsequent affixing of his signature meant that he consented to the falsification resulting to conspiracy between him and Atty. Cuenco.[59] The falsification of the DTR to cover absenteeism and tardiness constitutes gross dishonesty and gross misconduct, which Atty. Cuenco and Cabanilla are guilty of.[60]

2. Court Attendance Logbook and the Security Guard's Logbook

Atty. Cuenco impugned the accuracy of the guard's monitoring. The OCA opined that the monitoring was not

---

[55] *Id.* at 1235.

[56] *Id.* at 1491.

[57] *Id.*

[58] *Id.* at 1517.

[59] *Id.*

[60] *Id.* at 1518.

expected to be flawless, as a margin of error was considered. An employee was considered absent if there was no entry of his/her arrival. Here, there were several dates of no records of Atty. Cuenco's arrival and departure, but the court's logbook indicated that she was present. Atty. Cuenco offered no explanation for the disparity between the logbooks of the guard and of the court. The OCA sustained the integrity of the guard's logbook in the absence of showing that the alleged inconsistency was patently gross.[61]

Cabanilla presented the court calendar and certificate of arraignment to dispute the security guard's report on his absence from April 28 to May 7, 2010. The OCA did not give credence to his evidence, because they are not conclusive proof of his presence on that day. A court calendar is usually prepared before the scheduled hearing and a certificate of arraignment is made after the hearing. Further, he failed to impute any malicious motive on the guard in declaring his absences. Thus, the guard enjoys the presumption of regularity in the performance of his duty. The guard is an impartial person who has no interest in the outcome of the investigation.[62]

Cabanilla argued that it was impossible for the guard to monitor precisely the arrival and departure time of all employees. The OCA contended that the guard was specifically instructed to monitor only the four respondents, Atty. Cuenco, Cabanilla, Abcede, and Yabut. Further, he made no effort to dispute the disparity between the guard's logbook and the court's logbook on several dates, including an occasion wherein he stayed only for four minutes. The OCA also did not believe him when he alleged that at times he signed ahead of Yabut, because it is possible that a blank space was intentionally left for him.[63] It was also unbelievable for him to aver that he could not find the logbook, which should be in a conspicuous place and accessible to all employees.[64]

---

[61] *Id.* at 1518-1591.

[62] *Id.* at 1519-1520.

[63] *Id.*

[64] *Id.* at 1520.

The OCA also did not give merit to Yabut's assertion that she was neither late nor absent from April 28 to May 5, 2010. The guard's report revealed that she arrived late in the morning and in the afternoon on those dates. It was also reported that in May and June 2010, she incurred several absences and discrepancies in her arrival and departure time. Her own admission that she failed to log in and out because she attended to her children contradict her assertion that her attendance was in order.[65]

As for Abcede, the OCA found out that she logged out at 12:24 p.m. on June 15, 2010 with no indication that she returned afterwards. However, her logbook entry indicated that she logged in and out on time.[66]

Despite the respondents' denial, the OCA determined that there were proofs of falsification of DTRs, which constitutes dishonesty. Thus, the respondents should be held administratively liable.[67]

3. Cabanilla's Conflicting School and Work Schedules

The OCA found Cabanilla's averments untenable, because the registration cards are the best evidence and cannot overcome his self-serving claim. The school registration cards showed that from the second semester of 2006 to the second semester of 2009, his class schedules coincided with his work schedules. Further, he did not present documents, such as certification or actual class schedule from the school or professor, to prove his claim. More so, his long record of absences, tardiness, and half-days contradict his claim that his class schedule was from 5:00 p.m. to 9:00 p.m. It was also observed that if indeed there was no conflict in schedules, there would be no reason to ask for the leniency of the former presiding judge. While the OCA acknowledged that court employees may pursue personal

[65] *Id.*

[66] *Id.*

[67] *Id.* at 1521.

development and improvement, it should be done without sacrificing public service.[68]

4. Abcede's Lack of Knowledge in Stenography

The OCA resolved that Abcede's admission in her Comment as to her lack of effort to refresh her stenography skills and Yabut's corroboration rendered her inept to perform her duties as stenographer. From her appointment in 1993, she has been defrauding the Court by receiving her salary without performing her expected functions. Her actuations amount to incompetence and dishonesty, and her employment should be discontinued.[69]

5. Pleadings of Litigants in the Court Computer

The OCA explained that the act of reviewing a litigant's pleading, as Atty. Cuenco claimed, is not within her job description as clerk of court. Doing so compromised the integrity and impartiality expected from a court personnel.[70]

As for De Guzman, the OCA held that, even if she used her own printer, she prepared and printed the pleadings using the court computer and during office hours. Therefore, she used the court's resources for personal gain.[71]

6. Other Charges

The OCA dismissed the other charges for lack of sufficient evidence.[72]

7. Penalties

The OCA concluded that the following acts amount to gross dishonesty, falsification of official documents, and/or grave misconduct: (1) falsifying the court's logbook and DTRs; (2) making numerical entries in a co-employee's DTRs; (3) forging

---

[68] *Id.* at 1522-1523.

[69] *Id.* at 1523.

[70] *Id.* at 1524.

[71] *Id.*

[72] *Id.*

another employee's signature in his DTR and leave form; (4) attending classes during office hours; and (5) not performing the functions for which one was hired and compensated to do.[73]

Considering that Atty. Cuenco resigned, the penalty of dismissal could no longer be imposed on her. The OCA recommended the forfeiture of all retirement benefits, excluding accrued leave credits, and her perpetual disqualification for employment in any branch or instrumentality of the government, including government-owned or controlled corporations.[74]

As for Cabanilla, Abcede, and Yabut, the OCA recommended their dismissal from the service, cancellation of eligibility, forfeiture of all retirement benefits, excluding accrued leave credits, and perpetual disqualification for employment in any branch or instrumentality of the government, including government-owned or controlled corporations.[75]

As for De Guzman, the OCA recommended reprimand as a penalty since this is her first offense, with a warning that a repetition of the same or similar act shall merit a more severe penalty.[76]

The Issue Presented

Whether or not the respondents should be held administratively liable for the irregularities in the Malabon RTC, Branch 72.

The Court's Ruling

The Court upholds Judge Laurea's findings and affirms the OCA's recommendations with modifications.

OCA Circular No. 7-2003 dated January 9, 2003 states the policy on *Certificates of Service and Daily Time Records (DTRs)/ Bundy Cards of Judges and Personnel of the Lower Courts* as follows:

---

[73] *Id.* at 1525.

[74] *Id.* at 1526-1527.

[75] *Id.* at 1527.

[76] *Id.*

After the end of each month, every official and employee of each court shall accomplish the Daily Time Record (Civil Service Form No. 48)/Bundy Card, indicating therein truthfully and accurately the time of arrival in and departure from the office.

In *Samonte v. Roden*,[77] the Court held that court employees must reflect their true arrival and departure times in the DTR, and must do so personally.

> x x x [E]very court official and employee must truthfully and accurately indicate the time of his or her arrival at and departure from the office. The failure of an employee to reflect in the DTR card the actual times of arrival and departure not only reveals the employee's lack of candor but it also shows his/her disregard of office rules.
>
> Equally important is the fact that this Court has already held that the punching in of one's daily time record is a personal act of the holder. It cannot and should not be delegated to anyone else.

Here, Judge Laurea and the OCA both determined that Atty. Cuenco made handwritten entries on Cabanilla's DTR and the latter consented to it by affixing his signature. The Court agrees with the OCA that the acts amount to serious dishonesty, falsification of official documents, and grave misconduct. The Court also observed that Atty. Cuenco and Cabanilla committed other acts of dishonesty and misconduct.

Atty. Cuenco made it appear in the court logbook that she was present on June 1, 2, and 28, 2010, but there was no record of her arrival and departure in the guard's logbook. She also did not dispute the discrepancies between the court's logbook and the guard's logbook on April 30, 2010; May 4-6, 11-14, 17-21, 24-26, and 31, 2010; June 7, 11, 17, 21-22, 24-25, and 29, 2010.[78] She also admitted reviewing the pleading of a litigant, which compromised the integrity and impartiality expected from a court personnel. She also violated Section 5, Canon III of

---

[77] 818 Phil. 289, 295 (2017).

[78] *Rollo*, pp. 1498-1500.

the Code of Conduct for Court Personnel (CCCP) which provides:[79]

SEC. 5. The full-time position in the Judiciary of every court personnel shall be the personnel's primary employment. For purposes of this Code, "primary employment" means the position that consumes the entire normal working hours of the court personnel and requires the personnel's exclusive attention in performing official duties.

As for Cabanilla, he failed to conclusively prove that he was present on April 28 to May 7, 2010, and he did not dispute the guard's report that he was absent on May 4, 24-26, and 31, 2010; and June 2, 7, 10-11, 17, 21, 23, and 29, 2010.[80] More seriously, he attended school during office hours; thus, depriving the government and the public of the expected service. Just like Atty. Cuenco, Cabanilla clearly disregarded the tenet embodied in Section 5, Canon III, above-quoted.

The OCA's investigation showed that there were other court employees who committed dishonesty and misconduct. *First*, the guard reported that (1) Yabut arrived late in the morning and in the afternoon from April 28 to May 5, 2010; (2) she was absent on May 21, 24-25, and 31, 2010 and June 2, 7, 11, 17, and 21, 2010; and (3) there were discrepancies in her arrival and departure times on May 6-7, 11-14, 17-20, 26-27, 2010 and June 1, 15, 18, 22, 24-25, and 28, 2010. These reports were contrary to Yabut's claim that she was either present or on time on those dates.[81]

Second, Abcede was found to have logged out at 12:24 p.m. on June 15, 2010 and did not return in the afternoon. This report differed from her allegation that she logged in and out on time.[82] She also lacked the required skills expected of a stenographer. The Court concurs with the OCA's evaluation that her actuations amount to incompetence and dishonesty.

---

[79] *Id.* at 1523. *See* A.M. No. 03-06-13-SC.

[80] *Id.* at 1500-1503.

[81] *Id.* at 1503-1505.

[82] *Id.* at 1506.

Third, the OCA determined that De Guzman used the court computer to prepare and print pleadings of litigants, which is a violation of reasonable office rules and regulations.[83]

Since this case involves several offenses of dishonesty and misconduct, the Court reiterates its previous pronouncements to remind court employees of the behavior expected of them as men and women of the Judiciary.

On misconduct and dishonesty, the case of *Duque v. Calpo*[84] tells us the following:

> Misconduct is a transgression of some established and definite rule of action, more particularly, unlawful behavior or gross negligence by the public officer. It is intentional wrongdoing or deliberate violation of a rule of law or standard of behavior and to constitute an administrative offense, the misconduct should relate to or be connected with the performance of the official functions and duties of a public officer. In order to differentiate gross misconduct from simple misconduct, the elements of corruption, clear intent to violate the law, and not a mere error of judgment, or flagrant disregard of established rule, must be manifest in the former.
>
> On the other hand, dishonesty means "a disposition to lie, cheat, deceive or defraud; untrustworthiness; lack of integrity, lack of honesty, probity or integrity in principle; lack of fairness and straightforwardness; disposition to defraud, deceive or betray."

Here, the investigations conducted by Judge Laurea and the OCA revealed that respondents Atty. Cuenco, Cabanilla, Abcede, and Yabut blatantly violated the established office circular and the Code of Conduct, and had been doing so for a long period of time. They violated Section 3, Canon IV of the CCCP, which states that *court personnel shall not alter, falsify, destroy or mutilate any record within their control*. This includes the DTR.

As Clerk of Court, Atty. Cuenco is expected to lead in the observance of office rules. Yet she and Cabanilla conspired to falsify the entries in the DTRs. As the immediate supervisor of

---

[83] *Id.*

[84] A.M. No. P-16-3505, January 22, 2019.

the rest of the court employees, she cannot claim ignorance on the irregularities in their attendance and their whereabouts during office hours. She abused her authority by being lenient to selected court employees. For these, she should be held liable for serious dishonesty, grave misconduct, and falsification of official documents.

In *Arabani, Jr. v. Arabani*,[85] the Court held that office hours should be devoted to the performance of official functions. Section 1, Canon IV of the CCCP provides that *court personnel shall at all times perform official duties properly and with diligence. They shall commit themselves exclusively to the business and responsibilities of their office during working hours*. However, respondents Cabanilla, Abcede, and Yabut violated the canon.

Section 1, Canon IV of the CCCP mandates that court personnel shall commit themselves *exclusively* to the business and responsibilities of their office during working hours. Court personnel should strictly observe the prescribed office hours and the efficient use of every moment thereof to inspire public respect for the justice system. Thus, court officials and employees are at all times behooved to *strictly* observe official time because the image of a court of justice is necessarily mirrored in the conduct, official or otherwise, of the men and women who work thereat, from the judge to the last and lowest of its employees.

Here, Cabanilla admitted that he was enrolled in a nursing course while employed as court interpreter, and there were occasions that he left the court to attend classes. He also claimed that the former judge was lenient with him as he pursued his education. There were documentary and testimonial evidence to prove that he was absent at work and yet his DTRs showed otherwise. The pieces of evidence and his admissions point to the conclusion that he finished BS Nursing at the expense of the government and the public. His actions amount to serious dishonesty, grave misconduct, and falsification of official documents.

---

[85] 806 Phil. 129 (2017).

As for Abcede, not only did she commit dishonesty in her attendance, she was also remiss in the non-performance of her duties as stenographer for years. She admitted that she already forgot stenography because the former judge assigned her to do other clerical work. However, after the retirement of the former judge, she did nothing to regain the skills required of a stenographer. She ignored Atty. Cuenco's directive to resume her duties as stenographer. Her conduct constitutes incompetence and serious dishonesty.

As for Yabut, records show that she was absent and tardy on several occasions, but her DTR shows otherwise. For these, she is guilty of serious dishonesty and falsification of official documents, which carries the penalty of dismissal from the service. However, the records also disclosed that she admitted her infraction and expressed deep remorse for it. She explained that she could not afford to hire a house helper and she was constrained to take care of her school-aged children. At lunchtime, she had to go home and bring lunch for those coming home from school and bring food to those who will attend school in the afternoon. Her family situation constrained her to time-in late after lunch, to leave early before dismissal, and time-out the following day.[86] It appearing that this is her first offense and there is no connivance with the other respondents, the Court finds that the penalty of suspension for six months is sufficient.

In *Office of the Court Administrator v. Cabrera-Faller*,[87] the Court extended leniency and showed compassion to the erring court employees.

> [W]e have always taken advantage of every opportunity to show compassion and leniency in the imposition of administrative penalties on erring court employees. This is because work is as much a source of one's dignity as it is of one's income. While this Court will never tolerate any act of wrongdoing in the performance of duties, it would

---

[86] *Rollo*, pp. 1516, 1520.

[87] A.M. No. RTJ-11-2301, A.M. No. RTJ-11-2302, A.M. No. 12-9-188-RTC, January 16, 2018, 851 SCRA 207, 308.

not be remiss in its mandate, should it extend just one more chance for court employees to improve their ways.

Sadly, the Court cannot grant the same leniency to the other respondents who are found guilty of grave offenses with deliberate intent to violate civil service rules. Specifically, it appears that there is collusion between Atty. Cuenco and Cabanilla as to the latter's attendance in order to accommodate his class schedule. There is also connivance between Atty. Cuenco and Abcede in intentionally assigning the other stenographers to sit on duty to conceal the latter's lack of stenography skills. The offenses of these respondents have robbed the court and the public of much needed service, warranting the penalty of dismissal.

As for De Guzman, the Court sustains the OCA's findings that she violated reasonable office rules and regulations for using the court computer and printer to prepare and print pleadings for the litigants. The records disclose that in a Memorandum dated June 8, 2010, Atty. Caridad A. Pabello, OCA Chief of Office, Office of Administrative Services, confirmed that the Court did not approve De Guzman's detail.[88] In a Resolution dated July 21, 2010, the Court ordered De Guzman to return to her mother unit.[89] In her Comment dated August 19, 2010, De Guzman stated that she was no longer connected with the Malabon RTC, Branch 72 and any other government institution as she purportedly resigned.[90]

While De Guzman was never an employee of the Court, still she committed violations of the court's reasonable office rules and regulations when she used the court computer and printer to prepare and print pleadings for the litigants. Her actions may be considered as improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice," thus, a ground for indirect contempt. While the

---

[88] *Rollo*, p. 128.

[89] *Id.* at 130-132.

[90] *Id.* at 1526.

Court cannot exercise administrative supervision over her since, based on the records, her detail to the said RTC was not even approved, therefore, she is not a court employee, still she must be held accountable for her acts of disrespect towards the Judiciary. Also, since according to De Guzman she is no longer connected with any government institution, a recommendation of referral to the local government unit would not serve any practical purpose. For this reason, the Court deems it proper to refer De Guzman's case to the Presiding Judge of Malabon RTC, Branch 72 and direct said Judge to commence contempt proceedings against De Guzman. The findings in this administrative case may be taken cognizance of by said court in the contempt proceedings.

As for Asis, the Court observed that in the OCA's Report dated January 26, 2005, her name was not mentioned or the allegations against her discussed. However, the OCA recommended that the other charges should be dismissed for lack of sufficient evidence. The Court resolves that those allegations in the complaint that were not tackled in the OCA's Report shall be dismissed.

Considering the OCA's recommendations and the results of the investigations, the Court finds the respondents guilty of the following offenses:

RESPONDENT	OFFENSE	PENALTY
1. Atty. Cuenco	Serious dishonesty, grave misconduct, and falsification of official document.	Forfeiture of all retirement benefits, excluding accrued leave credits, and her perpetual disqualification from employment in any branch or instrumentality of the government, including government-owned or controlled corporations. The penalty of dismissal can no longer be imposed because of her resignation.

2. Cabanilla	Serious dishonesty, grave misconduct, and falsification of official document.	Dismissal from the service, cancellation of eligibility, forfeiture of all retirement benefits, excluding accrued leave credits, and perpetual disqualification from employment in any branch or instrumentality of the government, including government-owned or controlled corporations.
3. Abcede	Serious dishonesty and incompetence.	Dismissal from the service, cancellation of eligibility, forfeiture of all retirement benefits, excluding accrued leave credits, and perpetual disqualification from employment in any branch or instrumentality of the government, including government-owned or controlled corporations.
4. Yabut	Serious dishonesty and falsification of official document.	Suspension for six months.

In *Boston Finance and Investment Corp. v. Gonzalez*,[91] the Court pronounced the penalty to be imposed for erring court personnel.

On the other hand, as regards other court personnel who are not judges or justices, the CCCP governs the Court's exercise of disciplinary authority over them. It must be pointed out that the CCCP explicitly incorporates civil service rules, *viz.*:

---

[91] A.M. No. RTJ-18-2520, October 9, 2018.

INCORPORATION OF OTHER RULES

Section 1. All provisions of law, **Civil Service rules**, and issuances of the Supreme Court governing or regulating the conduct of public officers and employees applicable to the Judiciary **are deemed incorporated** into this Code.

Hence, offenses under civil service laws and rules committed by court personnel constitute violations of the CCCP, for which the offender will be held administratively liable. However, considering that the CCCP does not specify the sanctions for those violations, the Court has, **<u>in the exercise of its discretion</u>**, adopted the penalty provisions under existing civil service rules, such as the RRACCS, including Section 50 thereof.

Accordingly, in cases where a respondent court personnel had committed multiple infractions, the Court has applied Section 50 of the RRACCS. To illustrate, in the recent case of *Paduga v. Dimson*, a sheriff was found guilty of three (3) offenses amounting to conduct prejudicial to the best interest of the service, less serious dishonesty, and simple neglect of duty under the RRACCS. Since there were multiple violations, the Court applied Section 50 of the RRACCS in imposing the penalty of suspension for one (1) year. Similarly, in *Anonymous Complaint against Camay, Jr.*, a utility worker of the Judiciary was found guilty of various serious offenses, and applying Section 50 of the RRACCS, the Court dismissed him from service.

Consistent with these cases, the Court resolves that in administrative cases wherein the **respondent court personnel commits multiple administrative infractions, the Court, adopting Section 50 of the RRACCS, shall impose the penalty corresponding to the most serious charge, and consider the rest as aggravating circumstances**. (Emphases in the original; citation omitted)

Section 50, Rule 10 of the 2017 Rules on Administrative Cases in the Civil Service classifies serious dishonesty, grave misconduct, and falsification of official document as grave offenses, which are penalized by dismissal from the service. Incompetence is likewise a grave offense, but is penalized with suspension for six months and one day to one year for first offense, and dismissal from the service for the second offense.

Following the ruling in *Boston* case, the Court imposes the penalty of dismissal from the service for the most serious offenses,

serious dishonesty, grave misconduct, and falsification of official document. The other offenses are aggravating circumstances.

WHEREFORE, the Court finds:

1. Respondent Clerk of Court Zenalfie M. Cuenco of Malabon City Regional Trial Court, Branch 72 **GUILTY** of serious dishonesty, grave misconduct, and falsification of official document. The Court imposes the penalty of **FORFEITURE** of all retirement benefits, excluding accrued leave credits, and her **PERPETUAL DISQUALIFICATION** from employment in any branch or instrumentality of the government, including government-owned or controlled corporations;

2. Respondent Court Interpreter Christian V. Cabanilla of the same court **GUILTY** of serious dishonesty, grave misconduct, and falsification of official document. The Court imposes the penalty of **DISMISSAL** from the service, **CANCELLATION of ELIGIBILITY, FORFEITURE** of all retirement benefits, excluding accrued leave credits, and **PERPETUAL DISQUALIFICATION** from employment in any branch or instrumentality of the government, including government-owned or controlled corporations;

3. Respondent Court Stenographer Siony P. Abcede of the same court, **GUILTY** of serious dishonesty and incompetence. The Court imposes the penalty of **DISMISSAL** from the service, **CANCELLATION of ELIGIBILITY, FORFEITURE** of all retirement benefits, excluding accrued leave credits, and **PERPETUAL DISQUALIFICATION** from employment in any branch or instrumentality of the government, including government-owned or controlled corporations; and

4. Respondent Court Stenographer Filipinas M. Yabut of the same court, **GUILTY** of serious dishonesty and

falsification of official document. The Court imposes the penalty of **SUSPENSION** for six (6) months.

As for respondent locally-funded employee Aleli De Guzman, the Court **REFERS** the case to the Presiding Judge of the Malabon City Regional Trial Court, Branch 72 for the commencement of contempt proceedings against her.

The complaint against respondent Vanissa L. Asis is **DISMISSED** for lack of sufficient evidence.

SO ORDERED.

Peralta, C.J., Perlas-Bernabe, Caguioa, Gesmundo, Reyes, Jr., Hernando, Carandang, Lazaro-Javier, Inting, Zalameda, Lopez, Delos Santos, and *Gaerlan, JJ.*, concur.

Leonen, J., see separate opinion.

Baltazar-Padilla, J., on official leave.

CONCURRING OPINION

LEONEN, *J.*:

Pertinent to locally-funded employee Aleli De Guzman (De Guzman), the letter-complaint from the *Taongbayan ng Pilipinas* provided the following details of her complicity in the anomalies committed by Clerk of Court Zenalfie Cuenco (Atty. Cuenco) and other court employees in Branch 72 of the Malabon Regional Trial Court:

1. [Si] [Atty. Cuenco] po ay isang corrupt ng Branch 72, RTC, Malabon City sapagkat lahat po ng dokumento na may pirma niya ay may bayad at walang resibo. **Siya po ay may kasabwat na tauhan ng isang detailed ng munisipyo ng Malabon na si Aleli de Guzman at isang kabit ng pulis ng Malabon. Ginagawa rin po nila ang nasabing opisina na isang law office, kaya po sila ay kumikita ng walang gastos.**

. . . .

8. Lahat po na mga ebidensiyang pera at [sic] ginagamit niya sa pansariling kapakanan at ang mga [shabu] na ebidensiya ay nawawala.[1] (Emphasis supplied)

Albeit further surveillance was needed to acquire supporting evidence, it was revealed in Executive Judge Emmanuel Laurea's Report that De Guzman and Atty. Cuenco conspired in a scheme to make money out of new and archived cases:

3. Atty. Cuenco kept all criminal records locked up to the exclusion of Criminal Records Clerk-in-Charge Leo Angelo Provido. **The few individuals who had limited access are Stenographer Abcede, local government-funded employee De Guzman, and Mediation Officer Asis. Judge Laurea noted that this is highly irregular considering that the Malabon RTC Branch 72 is a special drugs court.**

4. **Abcede and De Guzman attended to the accused and their families regarding the posting of bail and setting of hearings, which are all subject to Atty. Cuenco's approval. It was reported that: (a) favorable or speedy action and early settings were granted if consideration was paid; and (b) Atty. Cuenco and De Guzman took interest on archived cases, with De Guzman coordinating with police for the arrest of the accused, who would later be released upon payment of consideration.** Judge Laurea remarked that surveillance and entrapment are necessary to obtain evidence on these allegations.[2] (Emphasis supplied)

As there was *prima facie* evidence to hold the concerned court employees administratively accountable, the Office of the Court Administrator (OCA) placed them on indefinite suspension while the case was ongoing. With regard to De Guzman, it was discovered that her assignment to Branch 72 was not duly approved, and thus, she was directed to go back to her mother unit.[3]

---

[1] *Ponencia*, p. 2.

[2] *Id.* at 4.

[3] *Id.* at 5.

The OCA's Supplemental Report showed, among other things, that the Court-issued office computer contains draft pleadings for parties with pending cases before Branch 72, as well as other courts and offices:

> b) With assistance from the personnel of the Management and Information Systems Office (MISO), and as witnessed by Clerk of Court Esmeralda Dizon of the Office of the Clerk of Court-Regional Trial Court, Malabon City, **it was discovered that the contents of the computer officially issued by the Court to RTC, Branch 72 contained *draft pleadings* for private litigants that have pending cases with the said branch, RTC Branch 73, Malabon City, the Office of the City Prosecutor of Navotas and Malabon City, and the People Law Enforcement Board, Caloocan City.**[4] (Emphasis supplied)

In her Comment to the Supplemental Report, Atty. Cuenco denied owning most of the pleadings found in her computer and argued that "all court employees have access to [it], including De Guzman, who admitted preparing the pleadings at home and printing them in the office."[5] Allegedly, De Guzman saved the said pleadings in the computer for purposes of printing and email.[6]

In its Report, the OCA posed the following conclusion and recommendation as to De Guzman's involvement in the irregularities committed within the trial court:

> 5. **Pleadings of Litigants in the Court Computer**
>
> The OCA explained that the act of reviewing a litigant's pleading, as Atty. Cuenco claimed, is not within her job description as clerk of court. Doing so compromised the integrity and impartiality expected from a court personnel.
>
> **As for De Guzman, the OCA held that, even if she used her own printer, she prepared and printed the pleadings using the**

---

[4] *Id.* at 7-8.

[5] *Id.* at 9.

[6] *Id.*

court computer and during office hours. Therefore, she used the court's resources for personal gain.

. . . .

7. **Penalties**

. . . .

As for De Guzman, the OCA recommended reprimand as a penalty since this is her first offense, with a warning that a repetition of the same or similar act shall be dealt severely.[7] (Citations omitted, Emphasis supplied)

In ruling against De Guzman, the *ponencia* underscored that even if this Court has no administrative supervision over her, she must be held liable for "her acts of disrespect towards the Judiciary[,]" nevertheless.[8]

As for De Guzman, the Court sustains the OCA's findings that she violated reasonable office rules and regulations for using the court computer and printer to prepare pleadings for the litigants. . .

While De Guzman was never an employee of the Court, still she committed violations of the court's reasonable office rules and regulations when she used the court computer and printer to prepare and print pleadings for the litigants. **Her actions may be considered as improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice, thus a ground for indirect contempt. While the Court cannot exercise administrative supervision over her since, based on the records, her detail to the said RTC was not even approved, therefore, she is not a court employee, still she must be held accountable for her acts of disrespect towards the Judiciary.**[9] (Emphasis supplied)

However, since she already resigned from employment, the *ponencia* believed that referring her case to the local government unit would be futile. Instead, the *ponencia* deemed it proper to refer her case to the Presiding Judge of Branch 72

---

[7] *Id.* at 13-14.

[8] *Id.* at 19.

[9] *Id.* at 18-19.

for purposes of initiating the necessary contempt proceedings against her:[10]

> Also, since according to De Guzman she is no longer connected with any government institution, a recommendation of referral to the local government unit would not serve any practical purpose. **For this reason, the Court deems it proper to refer De Guzman's case to the Presiding Judge of RTC Branch 72 and direct said Judge to commence contempt proceedings against De Guzman. The findings in this administrative case may be taken cognizance of by said court in the contempt proceedings.**[11] (Emphasis supplied)

I concur.

Even if De Guzman's detail to Branch 72 was not duly approved, I share the view that she must nevertheless be accountable for her transgressions which, on the other hand, may constitute indirect contempt of court.

I

Supreme Court Administrative Circular No. 28-08[12] or the *Guidelines in the Detail of Locally-Funded Employees to the Lower Courts*[13] provides that the detail of locally-funded personnel to the lower courts shall be preceded by a request that is duly approved by the Supreme Court, through the OCA:

> 1. No detail of locally-funded employees to the lower courts shall be allowed without first obtaining permission from the Supreme Court (SC) through the Office of the Court Administrator (OCA).
>
> 2. The request for the detail of locally-funded employees shall be made by the Presiding Judge for those in the court branches and the Executive Judge for those in the Office of the Clerk

---

[10] *Id.*

[11] *Id.*

[12] Dated March 11, 2008.

[13] Supreme Court Adm. Circ. No. 28-08 was reiterated in OCA Circ. No. 89-12 (2012) and OCA Circ. No. 42-19 (2019).

of Court (OCC) and shall be submitted to the Supreme Court through the Office of the Court Administrator for approval. The request shall contain the following information:

a. Court caseload

b. Reasons or necessity for the detail

c. Name, position title and duties to be assigned

. . . .

9. The Presiding Judge/Executive Judge shall submit to the SC through the OCA, within one (1) month from receipt of this administrative circular, an inventory of all locally-funded employees detailed in their respective court branches including the OCC, specifying the names, position titles, assigned duties and duration of the detail. In addition, the Presiding Judge/ Executive Judge shall regularly review the necessity for such details as well as the performance of the locally-funded employees, and recommend to the SC through the OCA the revocation of the detail for those whose services are no longer necessary in the lower courts or those with unsatisfactory or poor performance.

10. The Court Administrator is authorized to act on requests for detail of locally-funded employees and the revocation of such details.

11. Non-compliance and/or violation of this circular by the judge, court personnel or locally-funded employee shall be a ground for disciplinary action.[14]

In view of the confidentiality intertwined with court dealings, the tasks assigned to locally-funded employees are subject to the following limitations:

3. **Considering the confidentiality of court records and proceedings, locally-funded employees shall simply assist in the performance of clerical works, such as, receiving of letters and other communications for the office concerned, typing of address in envelopes for mailing, typing of certificate of appearance, and typing of monthly reports. They shall <u>not</u> be given duties involving custody**

[14] Supreme Court Adm. Circ. No. 28-08.

of court records, implementation of judicial processes, and such other duties involving court proceedings. However, they may perform functions appertaining to that of a messenger, janitor and driver if these positions are provided in the plantilla of the Local Government Unit (LGU).

4. **The detail shall be allowed only for a maximum period of one (1) year.** Details beyond one year may be allowed provided it is with the consent of the detailed employee.

5. Request for renewal or extension of the period of the detail shall be submitted to and received by the SC through the OCA fifteen (15) days before the expiration of the original/ previous period of detail and must contain the information stated in paragraph 2 hereof.[15] (Emphasis supplied)

To the exclusion of specific personnel actions,[16] the concerned Local Government Unit abandons its administrative supervision over the locally-funded personnel during the period of assignment and gives way to the Supreme Court:

6. **During the period of the detail, the concerned LGU relinquishes its administrative supervision over the locally-funded employees to the SC. Administrative supervision refers to the authority to direct the performance of duties; restrain the commission of acts; and review, approve, reverse or modify acts or decisions of the detailed employee.** In this regard, the SC through the lower court has the responsibility to monitor the punctuality and attendance of the detailed locally-funded employees, approve request for leave, evaluate their performance, grant authority to travel

---

[15] Supreme Court Adm. Circ. No. 28-08.

[16] *See* provision no. 7 of Supreme Court Administrative Circular No. 28-08 which reads: "With respect to the personnel actions such as promotion, transfer, renewal, demotion, upgrading and reclassification of positions and the like, which requires the issuance of an appointment, and other personnel movement such as reassignment, detail, secondment, job rotation and designation which do not necessarily require the issuance of an appointment, including salary adjustment, step-increment and monetization of leave credits concerning the detailed locally-funded employee, the same **shall still be under the jurisdiction of the concerned LGU.**"

> and exercise other acts necessary to effectively supervise the employees.
>
> Prior to the effectivity of the detail, and insofar as those already detailed before the issuance of this administrative circular, the Presiding Judge/Executive Judge shall request the concerned LGU to furnish the lower court with a certification of the available sick and vacation leave credits of the detailed locally-funded employee. In the event the Presiding Judge/Executive Judge approves the request for leave by the detailed employee, a copy of the same shall be submitted by the Clerk of Court to the concerned LGU.[17] (Emphasis supplied)

By virtue of administrative supervision, this Court oversees the locally-funded personnel's conformity with the rules and laws, and may proceed with appropriate administrative actions in case of any violation or deviation thereof.[18]

Notably, *Malanyaon v. Galang*[19] resolved whether this Court may discipline an erring locally-funded employee duly assigned or detailed to the lower court. In that case, respondent Deputy Sheriff Galang was adjudged negligent in the performance of his functions for failing to serve the writ of execution to defendant Tan Kim in the addresses supplied by petitioner Malanyaon. Although Galang was an appointee of the then Mayor of Manila and the authority to discipline, suspend, and remove lies with the latter, this Court nevertheless held Galang accountable for his actions by imposing upon him the penalty of fine and by withdrawing his authority to perform his duties as Sheriff:[20]

> **PREMISES CONSIDERED**, We hereby impose upon respondent Galang a Fine equivalent to his one (1) month's basic salary to be paid within fifteen (15) days from finality of this judgment. In addition, We hereby withdraw the authority of respondent to perform functions appertaining the office of sheriff and We direct the respective Executive

---

[17] Supreme Court Adm. Circ. No. 28-08.

[18] See *Maceda v. Vasquez*, 293 Phil. 503 (1993) [Per *J*. Nocon, *En Banc*].

[19] 173 Phil. 312 (1978) [Per *J*. Muñoz-Palma, First Division].

[20] *Id.* at 313-315.

Judges to circularize this accordingly to all the branches of the Court of First Instance and the City Courts in the City of Manila, **without prejudice to any administrative action which the Mayor of the City may take against herein respondent upon receipt of copy of this decision.** This withdrawal of authority is effective immediately.

So Ordered.[21] (Emphasis supplied)

As a corollary, this Court's pronouncement in *Malanyaon* was echoed in Section 8 of Supreme Court Administrative Circular No. 28-08 which explicitly states:

8. **Inasmuch as the locally-funded employee is detailed to an office which carries with it duties and functions related to the administration of justice, such employee has the status of an officer of the court, and as such can be held accountable, short of being dismissed or suspended from office, to the court he serves as well as to the Supreme Court for any negligence or conduct which impedes the efficient and speedy administration of justice, following the Supreme Court ruling in *Esperanza Malanyaon vs. Rufino Galang, A.M. No. P-133, July 20, 1978*.**

    Complaints against locally-funded employee shall be filed before the Supreme Court through the Office of the Court Administrator, except for offenses classified under Civil Service Rules as light offenses which shall be filed with the Office of the Executive Judge, who shall conduct an investigation pursuant to A.M. No. 03-8-02-SC otherwise known as Guidelines on the Selection and Appointment of Executive Judges and Defining their Powers, Prerogatives and Duties. **This is without prejudice to the authority of the concerned LGU to discipline locally-funded employee.**[22] (Emphasis supplied)

Thus, considering that a locally-funded employee whose assignment or detail to the lower court is approved[23] attains the status of an "officer of the court,"[24] he or she is expected

[21] *Id.* at 315.

[22] Supreme Court Adm. Circ. No. 28-08.

[23] *See* first provision of Supreme Court Adm. Circ. No. 28-08.

[24] *See* provision 8 of Supreme Court Adm. Circ. No. 28-08.

to employ a high standard of competence and accountability "as service in the judiciary is not only a duty; it is a mission."[25]

On this Court's part, it "is duty-bound to sternly wield a corrective hand to discipline errant employees and to weed out those who are found undesirable."[26] It cannot tolerate any actuation which disrupts the "norm of public accountability, which would diminish the faith of the people to the Judiciary."[27]

III

Nevertheless, in this case, it was confirmed by the OCA Chief of Office that De Guzman's detail before Branch 72 was not duly approved.[28] This, notwithstanding, De Guzman should be held accountable for her misdeeds which, following Section 3, Rule 71 of the Rules of Court,[29] may constitute indirect contempt of court:

a) Misbehavior of an officer of a court in the performance of his [or her] official duties or in his [or her] official transactions;

b) Disobedience of or resistance to a lawful writ, process, order, or judgment of a court, including the act of a person who, after being dispossessed or ejected from any real property by the judgment or process of any court of competent jurisdiction, enters or attempts or induces another to enter into or upon such real property, for the purpose of executing acts of ownership or possession, or in any manner disturbs the possession given to the person adjudged to be entitled thereto;

---

[25] *Re: Irregularity on the Bundy Cards of Personnel of the RTC, Br. 26 and MTC Medina Misamis Oriental*, 509 Phil. 580, 591 (2005) [Per *J.* Callejo, Sr., Second Division].

[26] *A Very Concerned Employee and Citizen v. De Mateo*, 565 Phil. 657, 665 (2007) [*Per Curiam*, *En Banc*].

[27] *Id.* at 665-666.

[28] *Ponencia*, pp. 18-19.

[29] *See* Adm. Matter No. 19-10-20-SC or the 2019 Amendments to the 1997 Rules of Civil Procedure.

c) Any abuse of or any unlawful interference with the processes or proceedings of a court not constituting direct contempt under Section 1 of this Rule;

d) Any improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice;

e) Assuming to be an attorney or an officer of a court, and acting as such without authority;

f) Failure to obey a subpoena duly served;

g) The rescue, or attempted rescue, of a person or property in the custody of an officer by virtue of an order or process of a court held by him [or her]. (Emphasis supplied)

From Judge Laurea's Report, De Guzman was purportedly in cahoots with other court employees in making money out of cases filed before Branch 72. Even without a duly approved assignment, De Guzman seemingly acted as a court personnel, which, in my mind, was a means to lure litigants into paying for a consideration in exchange for unwarranted favors and benefits such as "favorable or speedy actions and early settings"[30] of their cases. Apart from this, it was discovered that De Guzman also took part in causing the arrest of accused in archived cases "who would later be released after payment of consideration."[31]

Although further surveillance was recommended to adduce evidence for the above findings,[32] it is my view that De Guzman's transgressions should, as a matter of course, be dealt with accordingly. Considering that the image of a court is reflected in the official and personal conduct of its employees,[33] she should be made liable for her misrepresentation that not only degrades

---

[30] See *Ponencia*, p. 4.

[31] *Id.*

[32] *Id.*

[33] See *Re: Irregularity on the Bundy Cards of Personnel of the RTC, Br. 26 and MTC Medina Misamis Oriental*, 509 Phil. 580 (2005) [Per *J*. Callejo, Sr. Second Division].

the administration of justice, but also erodes the people's confidence to the courts.

Finally, I express my extreme discomfort with the practice that local government units routinely fill in the practical needs of our lower courts. Their support is pragmatic but has very grave consequences regarding the judiciary's independence and the lower court judges' impartiality when it comes to cases involving the local governments and their officials within their territorial jurisdiction. Were it not for the fact that the alleged local government detailed personnel in this case was not validly appointed, this Court would have been, again, confronted with the awkward questions as to whether we can exercise full disciplinary action against personnel from another constitutional branch of the government.

For these reasons, this Court must urgently examine how it can transition from this current state of affairs to a more ideal one: where *all* personnel of every lower court are from the judiciary. We should continually be vigilant with respect to our financial autonomy, and continually assert that the judiciary be given all the resources necessary to ensure its independence and impartiality in all cases.

ACCORDINGLY, I concur.

EN BANC

[G.R. No. 233308. August 18, 2020]

DELILAH J. ABLONG, CAROLINA M. SANTOS, ROGELIO B. OLIVA, JOCELYN D. JUANON, ETHELRAIDA V. TUMACOLE, ERLINA V. FLORES, JOSE RENE A. CEPE, DANTE A. CAPISTRANO,

MARIANO R. FLORES, JR., GEORGE N. VALENCIA, BERNADETTE Y. ARAULA, FELISA P. TRAYVILLA, GILBERT NICANOR ATILLO,* ESTRELLA M. GARCIA, *petitioners*, *vs.* **COMMISSION ON AUDIT,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; *CERTIORARI*; THE COURT WILL NOT REVIEW ANY ERRORS ALLEGEDLY COMMITTED BY THE COMMISSION ON AUDIT (COA) IN ITS DECISION UNLESS TAINTED WITH GRAVE ABUSE OF DISCRETION.—** The Court generally observes the policy of sustaining the decisions of the COA on the basis both of the doctrine of separation of powers and of the COA's presumed expertise in the laws entrusted to it to enforce. The Court will not review any errors allegedly committed by the COA in its decisions, unless tainted with grave abuse of discretion. The Constitution itself, as well as the Rules of Court, provide the remedy of a petition for *certiorari* under Rule 64 in relation to Rule 65 in order to restrict the scope of inquiry to errors of jurisdiction or to grave abuse of discretion amounting to lack or excess of jurisdiction committed by the COA. Indeed, it is the Court that determines whether or not there was an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law or to act in contemplation of law, on the part of the COA, as when the judgment rendered is not based on law and evidence, but on caprice, whim and despotism.

2. **POLITICAL LAW; COMMISSION ON AUDIT; COA CIRCULAR NO. 2009-006, REQUIRING SERVICE OF THE NOTICE OF DISALLOWANCE (ND) OF A BENEFIT TO ALL PERSONS LIABLE; VIOLATED IN CASE AT BAR.—** [T]here is no dispute that petitioners were not informed that Notices of Disallowance (NDs) had been issued on the Economic Relief Allowance (ERA) they received from 2008 to 2010. Petitioners learned of the disallowance of the ERA only in November to December 2011 when they were given copies of

---

* Also referred to as "Gilert Nicanor Attilo" in some parts of the *rollo*.

the Notice of Finality of Decision (NFD) by the Office of the Dean of the College of Arts and Sciences of Negros Oriental State University (NORSU). x x x Clearly, COA failed to heed Section 10.2 of COA Circular No. 2009-006 which categorically requires service of the ND to all the persons liable, *viz*.: 10.2 **The ND shall be addressed to the agency head and the accountant; served on the persons liable;** and shall indicate the transactions and amount disallowed, reasons for the disallowance, the laws/rules/regulations violated, and persons liable. It shall be signed by both the Audit Team Leader and the Supervising Auditor.

3. **ID.; ID.; ID.; VIOLATION IN CASE AT BAR ALSO RESULTED TO VIOLATION OF PETITIONER'S RIGHT TO DUE PROCESS OF LAW.—** Given the petitioners' allegation that the Supervising Auditor even refused the request of NORSU's former president that copies of the NDs be furnished to the individuals determined to be liable, it is easy to conclude that COA not only did not observe Section 10.2 of COA Circular No. 2009-006, but also the mandate of the due process clause. Such lack of notice to the petitioners amounted to a violation of their fundamental right to due process as the same is considered satisfied only if a party is properly notified of the allegations against him or her and is given an opportunity to defend himself or herself. x x x It is true that a Notice of Finality of Decision and an Order of Execution had already been rendered in this case. However, considering the non-observance of petitioners' right to due process, the same should be set aside. It is settled that "[v]iolation of due process rights is a jurisdictional defect" and that "a decision or judgment is fatally defective if rendered in violation of a party-litigant's right to due process." Accordingly, the case should be remanded to the COA in order to resolve petitioners' appeal from the NDs on the merits.

APPEARANCES OF COUNSEL

Joshua Francisco J. Ablong for petitioners.
The Solicitor General for respondent.

DECISION

REYES, J. JR., *J.*:

Before the Court is a Petition for *Certiorari* assailing Decision No. 2016-160[1] dated July 28, 2016 of the Commission on Audit (COA) dismissing the petition for review, seeking the reversal of the letter-reply of the COA Regional Office, for having been belatedly filed, and for being an improper remedy. Also assailed is COA's *En Banc* Resolution[2] dated April 26, 2017, which denied petitioners' motion for reconsideration.

The Undisputed Facts

In calendar year 2008, the Board of Regents of the Negros Oriental State University (NORSU), Dumaguete City, passed Board Resolution No. 28, Series of 2008, granting Economic Relief Allowance (ERA) in the amount of ₱25,000.00 each to all regular, casual, temporary, or part-time personnel and officials of NORSU. ERA in the amount of ₱30,000.00 each was also given in the two succeeding years: 2009 and 2010.

Petitioners, all teachers of NORSU, received ERA in calendar years 2008 to 2010.

On January 27, 2011, the COA Audit Team issued Notice of Disallowance (ND) Nos. 2011-001-164 (2008) to 2011-013-164 (2010)[3] on the payments of ERA on the grounds that the expenditure did not carry the approval of the President of the Philippines and that the same was illegally debited from tuition fees and other school charges. The NDs and the letter-transmittal therefor were delivered to and received by NORSU Acting Chief Accountant Liwayway G. Alba (Alba) on February 16, 2011.[4]

---

[1] Penned by Chairperson Michael G. Aguinaldo, with Commissioners Jose A. Fabia and Isabel D. Agito, concurring; *rollo*, pp. 26-29.

[2] *Id.* at 41.

[3] Annexes "H" to "T"; *id.* at 99-160.

[4] Letter-transmittal; *id.* at 90.

No appeal was made on the NDs. Thus, on August 31, 2011, a Notice of Finality of Decision (NFD) on ND No. 2011-002-164 (2008) was issued.[5] On November 23, 2011, COA Order of Execution (COE) was issued to enforce the said ND.[6]

On January 18, 2012, petitioner Delilah J. Ablong (Ablong), as a member of the Faculty and Academic Staff Association/All NORSU Faculty Union, wrote a letter[7] to COA Regional Director Delfin P. Aguilar (COA Regional Director Aguilar) requesting that the COE be reconsidered. She maintained that she and her colleagues were not informed that the grant of ERA by the NORSU Board of Regents was disallowed and learned of the disallowance and the NFD subsequently issued only in November or December 2011 when they were given copies of the NFD by the Office of the Dean of the College of Arts and Sciences of NORSU. She, thus, prayed that she and her colleagues be provided with avenues to remedy the situation instead of being required to refund the amounts received by them.

In a Letter,[8] dated February 7, 2012, COA Regional Director Aguilar denied Ablong's request stating in essence, that the enforcement of the COE can no longer be deferred because NFDs had already been issued and any appeal from the NDs can no longer be entertained since doing so will violate COA Circular No. 2009-006 on the Rules and Regulations on Settlement of Accounts.

Unyielding, the petitioners filed a Petition for Review[9] before the COA Proper appealing the denial by COA Regional Director Aguilar of their letter-request. They contended that COA rules of procedure on reglementary period should not have been strictly applied since they were not notified of the NDs and that they

---

[5] *Id.* at 55-58.

[6] *Id.* at 62-66.

[7] *Id.* at 67.

[8] See letter; *id.* at 68.

[9] Annex "D"; *id.* at 42-52.

should not be required to refund the amounts disallowed as their receipt of ERA was in good faith.

The COA Proper Disposition

On July 28, 2016, the COA rendered the assailed Decision dismissing the petition for review upon a finding that the six-month period to appeal an ND under Section 48, Presidential Decree (P.D.) No. 1445[10] and Section 33, Chapter 5 (B) (1) of Administrative Code of 1987 has already expired. The petitioners having failed to appeal the NDs, necessarily, NFDs were issued which, in turn, led to the ministerial duty of the Regional Director of issuing COE. Further, it ruled that the petitioners' filing of a petition for review is improper ratiocinating that the proper subject of an appeal before the same is a decision rendered by the Director on the ND itself before it becomes final and executory, and not a letter-reply from a Regional Director enforcing COEs. The decretal portion of the disposition reads:

> WHEREFORE, premises considered, the petition for review of the letter of the Regional Director, COA Regional Office No. VII, filed by Ms. Delilah J. Ablong, et al., all of the Negros Oriental State University (NORSU), Dumaguete City, is hereby DISMISSED for not being a proper remedy under the COA rules, (sic) and in view of the final and executory nature of the decision being appealed from. Accordingly, Commission on Audit Order of Execution dated November 23, 2011 for Notice of Disallowance Nos. 2011-001-164 (2008) to 2011-017-164 (2010), on the grant of economic relief allowance to NORSU employees for calendar years 2008 to 2010, in the total amount of ₱20,237,850.00, shall be enforced.[11]

The petitioners moved for, but failed to obtain, a reconsideration.[12] Undaunted, they filed the instant Petition for *Certiorari*.

---

[10] Government Auditing Code of the Philippines, approved on June 11, 1978.

[11] *Rollo*, p. 28.

[12] *Supra* note 2.

The Issue

THE COMMISSION PROPER COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION, WHEN IT UPHELD THE NOTICES OF FINALITY OF DECISION (NFDs) AND THE COA ORDERS OF EXECUTION (COEs) DESPITE: (1) LACK OF ACTUAL SERVICE OF THE NOTICE OF DISALLOWANCES TO PETITIONERS; AND (2) GOOD FAITH ON THE PART OF THE PETITIONERS IN RECEIVING THE ECONOMIC RELIEF ALLOWANCE.[13]

In support of their claim of grave abuse, the petitioners assert two arguments: denial of due process and good faith. They argue that they were denied due process in that they were not informed by NORSU's Acting Chief Accountant that NDs were issued on the ERA. According to them, the request of then NORSU President Dr. Henry A. Sojor that copies of the NDs be furnished to the individuals determined to be liable was even denied by the Supervising Auditor. They, thus, insist that they should not be faulted for failing to timely appeal the NDs as they were, in the first place, unaware of the same. As for the claim of good faith, they contend that, even if the NDs were sustained, they should not be held accountable for the disallowed amounts because they were not part of the decision-making process to grant the ERA and they received it on the assumption that NORSU Board of Regents' grant of the same was in accord with law and they have, in the first place, no authority to review and pass upon the resolutions of the said Board.

For its part, COA counters that the Audit Team is not required to furnish copies of the NDs to the petitioners considering that, in instances where there are several payees, service to the accountant constitutes service to all payees listed in the payroll under Section 12.1 of COA Circular No. 2009-006. Thus, service of the NDs and the letter-transmittal (which even contained a reminder to the Accountant that the service of the NDs to her constitutes service to all payees listed in the payroll), to NORSU

[13] Petition; *rollo*, p. 10.

Acting Chief Accountant Alba was sufficient. Thus, it insists that the petitioners were not denied of due process. As for the petitioners' claim of good faith, COA asseverates that, even if the petitioners were not involved in the passage of the Board Resolution allowing the grant of ERA, the latter are still bound to return the amounts illegally expended because every person who received the same are jointly and severally liable for the full amount received under Section 49, P.D. No. 1177.[14] Further, it points out that the petitioners should be deemed aware of the illegality of the grant of ERA because NORSU's management was already informed of the illegality as early as 2007 by the COA Auditors, through an Audit Observation Memoranda (AOM) and the petitioners have access to the Annual Audit Reports of NORSU where the AOMs are included.[15] Asserting that it did not act with grave abuse of discretion, the COA prays for the dismissal of the petition.

In their Reply,[16] the petitioners aver that their constitutional right to due process must prevail over Section 12.1 of COA Circular No. 2009-006. Moreover, they argue that the AOMs are addressed only to NORSU's administration and they are not given copies of the same or of the Annual Audit Reports; hence, expecting them to sift through the same is a responsibility that is way beyond their mandate as teachers.

The Court's Ruling

We find merit in the petition.

The Court generally observes the policy of sustaining the decisions of the COA on the basis both of the doctrine of separation of powers and of the COA's presumed expertise in the laws entrusted to it to enforce. The Court will not review any errors allegedly committed by the COA in its decisions, unless tainted with grave abuse of discretion. The Constitution itself, as well as the Rules of Court, provide

---

[14] Budget Reform Decree of 1977, which took effect on July 30, 1977.

[15] Comment; *rollo*, pp. 168-180.

[16] *Id.* at 182-191.

the remedy of a petition for *certiorari* under Rule 64 in relation to Rule 65 in order to restrict the scope of inquiry to errors of jurisdiction or to grave abuse of discretion amounting to lack or excess of jurisdiction committed by the COA. Indeed, it is the Court that determines whether or not there was an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law or to act in contemplation of law, on the part of the COA, as when the judgment rendered is not based on law and evidence, but on caprice, whim and despotism.[17]

Here, there is no dispute that petitioners were not informed that NDs had been issued on the ERA they received from 2008 to 2010. Petitioners learned of the disallowance of the ERA only in November to December 2011 when they were given copies of the NFD by the Office of the Dean of the College of Arts and Sciences of NORSU. Petitioner Ablong, as a member of the Faculty Union, on January 18, 2012, then wrote a letter to COA Regional Director Aguilar requesting that the COE be reconsidered, maintaining that they were not informed of the disallowance of the subject benefits. COA Regional Director Aguilar, however, denied Ablong's request stating that the enforcement of the COE can no longer be deferred because NFDs had already been issued and any appeal from the NDs can no longer be entertained, invoking COA Circular No. 2009-006 on the Rules and Regulations on Settlement of Accounts.

Petitioners thereafter filed a petition for review with the COA Proper appealing the denial of their letter-request. This was dismissed by the COA on July 28, 2016, finding that the six-month period to appeal an ND under Section 38, P.D. No. 1445 and Section 33, Chapter 5 (B) (1) of Administrative Code of 1987 has already expired. The COA further ruled that petitioners' petition for review was improper as the proper subject of an appeal is a decision on the ND, before it becomes final and executory, and not a letter-reply from a Regional Director enforcing COEs.

---

[17] *Estalilla v. Commission on Audit*, G.R. No. 217448, September 10, 2019.

Clearly, COA failed to heed Section 10.2 of COA Circular No. 2009-006 which categorically requires service of the ND to all the persons liable, *viz.*:

> 10.2 **The ND shall be addressed to the agency head and the accountant; <u>served on the persons liable</u>**; and shall indicate the transactions and amount disallowed, reasons for the disallowance, the laws/rules/regulations violated, and persons liable. It shall be signed by both the Audit Team Leader and the Supervising Auditor. x x x (Emphasis and underscoring supplied)

COA's argument that, because there were several payees, it was duty-bound to serve notice only to the accountant since service to the latter constitutes service to all payees under Section 12.1[18] of COA Circular No. 2009-006, fails to sway. It is true that said provision holds that in case there are several payees, service to the accountant who shall be responsible for informing all payees concerned, shall constitute constructive notice to all payees in the payroll. It bears emphasizing however that while the accountant had the corresponding duty to inform the payees, this did not materialize in this case for, to reiterate, the petitioners were not informed by the Acting Chief Accountant of NORSU of the NDs of their ERAs.

Given the petitioners' allegation that the Supervising Auditor even refused the request of NORSU's former president that copies of the NDs be furnished to the individuals determined to be liable, it is easy to conclude that COA not only did not observe Section 10.2 of COA Circular No. 2009-006, but also the mandate of the due process clause. Such lack of notice to the petitioners amounted to a violation of their fundamental right to due process as the same is considered satisfied only if a party is properly notified of the allegations against him or her and is given an opportunity to defend himself or herself.[19]

---

[18] 12.1 A copy of the NS/ND/NC shall be served to each of the persons liable/responsible, by the Auditor, through personal service. If personal service is not practicable, it shall be served by registered mail. In case there are several payees, as in the case of a disallowed payroll, service to the accountant who shall be responsible for informing all payees concerned, shall constitute constructive notice to all payees in the payroll.

[19] *Gutierrez v. Commission on Audit*, 750 Phil. 413, 430 (2015).

Due process of law, as guaranteed in Section 1, Article III of the Constitution, is a safeguard against any arbitrariness on the part of the Government, and serves as a protection essential to every inhabitant of the country. Any government act that militates against the ordinary norms of justice or fair play is considered an infraction of the great guaranty of due process; and this is true whether the denial involves violation merely of the procedure prescribed by the law or affects the very validity of the law itself.[20]

We have held that due process is satisfied if the party who is properly notified of allegations against him or her is given an opportunity to defend himself or herself against those allegations, and such defense was considered by the tribunal in arriving at its own independent conclusions. What is offensive to due process is the denial of the opportunity to be heard.[21]

Here, petitioners were not given any opportunity to be heard and their defenses were not considered in the denial of their petition.

It is true that a Notice of Finality of Decision and an Order of Execution had already been rendered in this case. However, considering the non-observance of petitioners' right to due process, the same should be set aside. It is settled that "[v]iolation of due process rights is a jurisdictional defect" and that "a decision or judgment is fatally defective if rendered in violation of a party-litigant's right to due process."[22] Accordingly, the case should be remanded to the COA in order to resolve petitioners' appeal from the NDs on the merits.

WHEREFORE, the Petition is **GRANTED**. The Decision No. 2016-160 dated July 28, 2016 and the Resolution dated April 26, 2017 of the Commission on Audit are **REVERSED** and **SET ASIDE**. The case is hereby **REMANDED** to the COA

---

[20] *Liwanag v. Commission on Audit*, G.R. No. 218241, August 6, 2019.

[21] *Pang v. Commission on Audit-Legal Services Sector*, G.R. No. 217538, June 20, 2017 (Minute Resolution).

[22] *Arrieta v. Arrieta*, G.R. No. 234808, November 19, 2018.

in order to resolve petitioners' appeal from the subject notices of disallowance on the merits.

SO ORDERED.

Peralta, C.J., Perlas-Bernabe, Leonen, Caguioa, Gesmundo, Hernando, Carandang, Lazaro-Javier, Inting, Zalameda, Lopez, Delos Santos, and *Gaerlan, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

FIRST DIVISION

[G.R. No. 192112. August 19, 2020]

ELIZABETH B. RAMOS, MANUEL F. TOCAO, JOSE F. TOCAO, LEYMIN CARIÑO, LONICITA MORILLA, GIL EDEJER, RODOLFO F. TOCAO, FLORENCIO O. SAPONG, VICENTE G. MAGDADARO, HEIRS OF OSMUNDO N. TOCAO, HEIRS OF MAXIMO CABONITA, HEIRS OF EVARISTO GUARIN, HEIRS OF GENARO ALCANTARA, HEIRS OF GENOVEVA SARONA, HEIRS OF LEO CABALLERO, HEIRS OF GAUDIOSO LASCUÑA, HEIRS OF TOMAS F. TOCAO, HEIRS OF TEODOLFO N. TOCAO, HEIRS OF FIDELINA C. FERENAL, HEIRS OF FELICISIMO AQUINO, HEIRS OF ISAAC GEMPEROA, HEIRS OF EUSTAQUIO CELEN, HEIRS OF JUAN RESGONIA, HEIRS OF DIOSDADO FEROLIN, HEIRS OF DIONESIO MORILLA, HEIRS OF DOMINADOR MANINGO, HEIRS OF CRISTOBAL JABILLO, HEIRS OF CELSO BUCAYONG, HEIRS OF QUINTIN NORO, all represented by their Attorney-in-Fact KORONADO B. APUZEN, *petitioners, vs.* **NATIONAL COMMISSION ON INDIGENOUS PEOPLES (NCIP), QUEEN ROSE**

T. CABIGAS, MEL ADRIAN T. CABIGAS, IRISH JOY T. CABIGAS, DYANNE GRACES T. CABIGAS, represented by their mother LEA T. CABIGAS; IRANN PAUL S. TENORIO, NOREEN S. TENORIO, PRINCE JOHN S. TENORIO, represented by their parents NELMAR B. TENORIO and NORABEL S. TENORIO; JOAN MAE C. BUMA-AT, represented by her parents, JUN ANTHONY BUMA-AT; RONEL B. REGIDOR, GLENN S. ADLAWAN; REGINA B. PATRICIO, and BRIANIE T. PASANDALAN, *respondents.*

SYLLABUS

1. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; *CERTIORARI*; ONE OF THE REQUISITES FOR A PETITION THEREFOR IS THE ABSENCE OF AN APPEAL OR ANY PLAIN, SPEEDY, AND ADEQUATE REMEDY IN THE ORDINARY COURSE OF LAW.—** Section 67 of the IPRA provides that "[d]ecisions of the NCIP shall be appealable to the CA by way of a petition for review." In *Unduran v. Aberasturi,* the Court, citing said Section 67, had occasion to state that such petition for review shall be filed before the CA under Rule 43, Under Section 1, Rule 65, one of the requisites before a petition for *certiorari* may be filed, is the absence of an appeal or any plain, speedy, and adequate remedy in the ordinary course of law. x x x In *Madrigal Transport, Inc. v. Lapanday Holdings Corporation,* we had the occasion to state that a petition for *certiorari,* not being a substitute for a lost appeal, cannot prosper if an appeal is available even when the ground is grave abuse of discretion. x x x Also, as a general rule, *certiorari* will not lie unless a motion for reconsideration (MR) was first filed before the respondent court, tribunal, or officer in order to allow it to correct the alleged errors; as unless such motion is considered a plain and adequate remedy expressly available under the law.

2. **ID.; ID.; ISSUANCE OF WRITS OF *CERTIORARI*, PROHIBITION, *MANDAMUS*, *QUO WARRANTO*, AND *HABEAS CORPUS* IS WITHIN THE CONCURRENT ORIGINAL JURISDICTION OF THE SUPREME COURT, THE COURT OF APPEALS, AND THE REGIONAL TRIAL**

COURTS; AS A RULE, PARTIES ARE DIRECTED TO FILE THEIR PETITIONS BEFORE THE LOWER RANKED COURT, PURSUANT TO THE DOCTRINE OF HIERARCHY OF COURTS.— [A]lthough the Court, the CA, and the RTCs have concurrent original jurisdiction over petitions for *certiorari*, prohibition, *mandamus*, *quo warranto*, and *habeas corpus*, parties are directed, as a rule, to file their petitions before the lower-ranked court. As explained in *People v. Cuaresma:* This Court's original jurisdiction to issue writs of *certiorari* (as well as prohibition, *mandamus, quo warranto, habeas corpus* and injunction) is not exclusive. It is shared by this Court with Regional Trial Courts (formerly Courts of First Instance), which may issue the writ, enforceable in any part of their respective regions. It is also shared by this Court, and by the Regional Trial Court, with the Court of Appeals (formerly, Intermediate Appellate Court), although prior to the effectivity of *Batas Pambansa Bilang* 129 on August 14, 1981, the latter's competence to issue the extraordinary writs was restricted to those "in aid of its appellate jurisdiction." This concurrence of jurisdiction is not, however, to be taken as according to parties seeking any of the writs an absolute, unrestrained freedom of choice of the court to which application therefor will be directed. There is after all a hierarchy of courts. That hierarchy is determinative of the venue of appeals, and should also serve as a general determinant of the appropriate forum for petitions for the extraordinary writs. A becoming regard for that judicial hierarchy most certainly indicates that petitions for the issuance of extraordinary writs against first level ("inferior") courts should be filed with the Regional Trial Court, and those against the latter, with the Court of Appeals. A direct invocation of the Supreme Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition. This is established policy. It is a policy that is necessary to prevent inordinate demands upon the Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of the Court's docket. x x x Direct resort to the Court in violation of the doctrine of hierarchy of courts is a sufficient cause for dismissal of the complaint. While it is true that in *The Diocese of Bacolod v. Commission on Elections,* we have recognized exceptions to

this doctrine, we have clarified in *Gios Samar, Inc. v. Department of Transportation and Communications* that it is not the presence of one or more of the so-called "special and important reasons," but the *nature* of the question raised by the parties in those "exceptions," which is "the decisive factor considered by the Court in deciding whether to permit the invocation, at the first instance, of its original jurisdiction over the issuance of extraordinary writs."

3. **ID.; ID.; *CERTIORARI*; THE ISSUE OF WHETHER GRAVE ABUSE OF DISCRETION IS COMMITTED OR NOT IS A QUESTION OF LAW WHICH THE SUPREME COURT MAY PROPERLY RESOLVE IN A PETITION THEREFOR; CASE AT BAR.—** [T]he Court finds that in resolving this petition, the question of whether the NCIP committed grave abuse of discretion in affording injunctive relief in favor of the private respondents and restraining the implementation of the Notice to Vacate issued by the DARAB, is one of law which the Court may properly resolve. To our mind, resolving such question does not require us to review the truth or falsity of alleged facts. Rather, the present case presents to us a question of law since the doubt arises as to what the law is on a certain set of facts and the determination of such does not require us to review any evidence presented.

4. **ID.; CIVIL PROCEDURE; JURISDICTION; PRINCIPLES IN DETERMINING JURISDICTION; CASE AT BAR.—** Without passing upon the correctness of the ruling in CA-G.R. SP. No. 01377, we hold that the NCIP has no jurisdiction over the present case but not on the basis of the argument forwarded by petitioners. Regardless of the action taken by the NCIP as petitioner in CA-G.R. SP. No. 01377, the Court is guided by the following principle in determining the jurisdiction of the NCIP: [J]urisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action. The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. The averments in the complaint and the character of the relief sought

are the ones to be consulted. Once vested by the allegations in the complaint, jurisdiction also remains vested irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.

5. **POLITICAL LAW; REPUBLIC ACT NO. 8371 (INDIGENOUS PEOPLE'S RIGHTS ACT OF 1997); NATIONAL COMMISSION ON INDIGENOUS PEOPLES (NCIP); JURISDICTION OF THE NCIP OVER CLAIMS AND DISPUTES INVOLVING RIGHTS OF THE INDIGENOUS CULTURAL COMMUNITIES (ICCs) AND INDIGENOUS PEOPLES (IPs) ARISES ONLY WHEN SUCH CLAIMS OR DISPUTES ARE BETWEEN OR AMONG PARTIES WHO BELONG TO THE SAME ICC/IP; TWO CONDITIONS BEFORE SUCH DISPUTES MAY BE BROUGHT TO THE NCIP.—** In the Court's Decision dated October 20, 2015, in *Unduran v. Aberasturi,* it was held that the jurisdiction of the NCIP under Section 66 of the IPRA over claims and disputes involving rights of indigenous cultural communities (ICCs) and indigenous peoples (IPs) arises only when such claims or disputes are between or among parties who belong to the same ICC/IP. In said Decision, we explained: A careful review of Section 66 shows that the NCIP shall have jurisdiction over claims and disputes involving rights of ICCs/IPs only when they arise between or among parties belonging to the same ICC/IP. This can be gathered from the qualifying provision that "no such dispute shall be brought to the NCIP unless the parties have exhausted all remedies provided under their customary laws. For this purpose, a certification shall be issued by the Council of Elders/Leaders who participated in the attempt to settle the dispute that the same has not been resolved, which certification shall be a condition precedent to the filing of a petition with the NCIP." The qualifying provision requires two conditions before such disputes may be brought before the NCIP, namely: (1) exhaustion of remedies under customary laws of the parties, and (2) compliance with condition precedent through the said certification by the Council of Elders/Leaders. This is in recognition of the rights of ICCs/IPs to use their own commonly accepted justice systems, conflict resolution institutions, peace building processes or mechanisms and other customary laws and practices within their respective communities, as may be compatible with the national legal system and with internationally recognized human rights.

6. **ID.; ID.; ID.; PRIMARY JURISDICTION OF THE NCIP; CASES WHERE ONE OF THE PARTIES IS NOT AN ICC/IP OR THE PARTIES ARE FROM DIFFERENT ICCs/IP UNDER SECTIONS 52(H), 53, AND 54 OF THE IPRA; CASE AT BAR.—** In the subsequent Resolution dated April 18, 2017 in *Unduran,* the Court also held that the NCIP's jurisdiction under Section 66 is limited, but not concurrent with the RTCs, and has primary jurisdiction under Sections 52(h) and 53, in relation to Section 62 of the IPRA, and Section 54 thereof. As to the latter, it was also emphasized that the NCIP has primary jurisdiction over cases where one of the parties is not a ICC/IP or the parties are from different ICCs/IP under the following provisions of the IPRA: (1) Section 52(h) of the IPRA anent the power of the NCIP Ancestral Domain Office (ADO) to deny application for Certificate of Ancestral Domain Titles (CADTs), in relation to Section 62, regarding the power of the NCIP to hear and decide unresolved adverse claims; (2) Section 53 on the NCIP-ADO's power to deny applications for Certificate CALTs and on the NCIP's power to grant meritorious claims and resolve conflicting claims; and (3) Section 54 as to the power of the NCIP to resolve fraudulent claims over ancestral domains and lands. Under the foregoing pronouncements in *Unduran,* it is clear that the NCIP has no jurisdiction over the complaint filed by private respondents considering that the parties do not belong to the same ICC/IP. The case does not fall under any of those where the NCIP has primary jurisdiction even when one of the parties is not an ICC/IP or the parties are from different ICCs/IP, as the injunction prayed for is for the purpose of restraining the implementation of the Notice to Vacate and the Writ of Execution issued by the DARAB.

7. **CIVIL LAW; EFFECT AND APPLICATION OF LAWS; AS A RULE, JUDICIAL INTERPRETATIONS FORM PART OF THE LAW UPON THE DATE OF EFFECTIVITY OF THE SAID LAW; EXCEPTION TO THIS IS WHEN A DOCTRINE OF THE COURT OVERTURNS OR REVERSES A PREVIOUS DOCTRINE AND ADOPTS A DIFFERENT VIEW, IN WHICH CASE THE NEW DOCTRINE MUST BE APPLIED PROSPECTIVELY.—** As a rule, judicial interpretations form part of the law upon the

date of effectivity of the said law, and the exception to this is when a doctrine of the Court overturns or reverses a previous doctrine and adopts a different view, in which case the new doctrine must be applied prospectively. The following excerpt from *Columbia Pictures, Inc. v. Honorable Court of Appeals,* cited in *Philippine International Trading Corporation v. Commission on Audit,* explains this in length, to wit: Article 4 of the Civil Code provides that "(l)aws shall have no retroactive effect, unless the contrary is provided.["] Correlatively, Article 8 of the same Code declares that "(j)udicial decisions applying the laws or the Constitution shall form part of the legal system of the Philippines." Jurisprudence, in our system of government, cannot be considered as an independent source of law; it cannot create law. While it is true that judicial decisions which apply or interpret the Constitution or the laws are part of the legal system of the Philippines, still they are not laws. Judicial decisions, though not laws, are nonetheless evidence of what the laws mean, and it is for this reason that they are part of the legal system of the Philippines. Judicial decisions of the Supreme Court assume the same authority as the statute itself. Interpreting the aforequoted correlated provisions of the Civil Code and in light of the above disquisition, this Court emphatically declared in *Co vs. Court of Appeals, et al.* that the principle of prospectivity applies not only to original amendatory statutes and administrative rulings and circulars, but also, and properly so, to judicial decisions, x x x.

8. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; *CERTIORARI*; QUESTIONS THAT ULTIMATELY GO INTO WHICH BETWEEN THE PARTIES HAS THE BETTER RIGHT OVER THE DISPUTED LAND ARE BEYOND THE SCOPE OF A *CERTIORARI* PROCEEDING; CASE AT BAR.—** While it is true that the 1957 Amended Decision has long attained finality - as recognized by the Court in G.R. No. L-62664 - it is also undisputed that a CALT was already issued in the name of the Heirs of Egalan-Gubayan clan. To the Court's mind, the issue of whether the award in favor of the petitioners is a vested right, which cannot be impaired by the IPRA, or if the passage of the IPRA and the issuance of the CALT are supervening events which has rendered the execution of the award in the 1957 Amended Decision impossible, inequitable, or unfair, are questions which are beyond

the scope of the present *certiorari* proceedings. These questions ultimately go into which between the parties has the better right over the disputed land. For this reason, the Court cannot grant petitioners' prayer that we enjoin other courts and other bodies from acting upon cases which tend to affect the execution of the judgment in G.R. No. L-62664. Since the Court's ruling in this case is limited to the injunction issued by the NCIP, this shall not be construed as being determinative of the validity of the CALT in the name of the Heirs of Egalan-Gubayan clan. By setting aside the assailed ruling of the NCIP, the Court merely holds that under applicable law and jurisprudence, the action filed by the private respondents is not within the jurisdiction of the NCIP.

APPEARANCES OF COUNSEL

Razo & Sator Law Office for petitioners.

The Law Offices Of Dangazo Valmoria Lopez & Associates for private respondents.

The Law Firm Of Torreon & Partners for respondent Brianie Tenorio Pasandalan.

D E C I S I O N

REYES, J. JR., *J.*:

The Court resolves this Petition for *Certiorari* and *Prohibition* with Prayer for the Issuance of a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction (WPI), imputing grave abuse of discretion on the part of the National Commission on Indigenous Peoples (NCIP) in issuing its Decision[1] dated February 18, 2010 in NCIP Case No. 002-2009 (RXI-0020-09), entitled *Queen Rose T. Cabigas, et al. v. Maximo Estita, et al.* Said Decision reversed and set aside the Decision dated

[1] The Decision was signed by Presiding Commissioner Noel K. Felongco, and Commissioners Rizalino G. Segundo, Miguel Imbing, Sia Apostol, Rolando M. Rivera, and Jannette Serrano-Reisland. Commissioner Felecito L. Masagnay voluntarily inhibited himself while Commissioner Eugenio A. Insigne took no part; *rollo*, pp. 38-54.

July 17, 2009 of the Regional Hearing Officer (RHO)-Region XI which dismissed the complaint for Injunction with Very Urgent Prayer for the Issuance of a TRO and/or WPI filed by herein respondents for forum-shopping and lack of jurisdiction.

Factual Antecedents

Subject of the present controversy is a land located at Malalag, Davao del Sur. On October 12, 2003, Bae Lolita Buma-at Tenorio (Bae Tenorio), filed with the NCIP an application for the issuance of a Certificate of Ancestral Land Title (CALT) over the subject land as ancestral land of her grandparents Datu Egalan and Princess Gubayan.[2] On November 12, 2004, the NCIP issued CALT No. R11-MAL-1104-000045 in favor of the Egalan-Gubayan clan, covering 845.5278 hectares. An amended CALT was later issued to exclude existing property rights from the coverage of any issued CALT pursuant to Section 56 of Republic Act (R.A.) No. 8371.[3] On September 22, 2005, the Egalan-Gubayan clan was issued CALT No. R11-MAL-0905-000049 covering the reduced area of 701.1459 hectares and later reduced further to 645 hectares.[4]

Previous to this, or in the 1920s, the 716 hectares of land covered by the aforementioned CALT was the subject of a lease in favor of Orval Hughes (Hughes). After Hughes' death, his heirs filed individual sales application of the leased land, which was opposed before the Office of the President (OP) by a group of 133 persons. On August 20, 1957, the OP, in an Amended Decision, awarded 399 hectares to the 133 oppositors, while the remaining 317 hectares were to be divided among the Hughes heirs. After said Amended Decision became final and executory, the Hughes heirs instituted various actions in different courts to challenge the same or to delay its enforcement, with the fifth action becoming the subject of the Court's ruling in G.R. No. L-62664 *(Minister of Natural Resources v. Heirs of Orval*

---

[2] NCIP Decision dated February 18, 2010; *id.* at 39.

[3] Also known as the Indigenous People's Rights Act (IPRA) of 1997.

[4] NCIP Decision dated February 18, 2010, *supra* note 2.

Hughes) promulgated on November 12, 1987, which ruled that the Hughes heirs were guilty of forum shopping.

The petitioners in the present case are among the 133 beneficiaries or the legitimate heirs of the said 133 beneficiaries of the 399 hectares of land awarded under the 1957 Amended Decision.

On the other hand, the 317 hectares awarded to the Hughes heirs became the subject of another dispute when Maximo Estita (Estita), *et al*., members of the Davao Del Sur Farmers Association (DASURFA) who claimed to be tenants of the Hughes heirs, filed a case for forcible entry, reinstatement, nullification of affidavits of quitclaims, relinquishment, waiver and any other documents on disposition of lands against, among others, the Hughes heirs, and Lapanday and/or L.S. Ventures, Inc. (Lapanday), before the Provincial Agrarian Reform Adjudication Board (PARAD) of Digos, Davao del Sur. The case eventually also reached the Court, docketed as G.R. No. 162109 *(Lapanday Agricultural & Development Corp. v. Estita)*. In a Decision dated January 21, 2005, the Court denied Lapanday's petition for review on *certiorari* and upheld the jurisdiction of the Department of Agrarian Reform (DAR) over the 317 hectares of land owned by the Hughes heirs.

As a result of the denial of Lapanday's petition, the Court affirmed the Court of Appeals (CA), which in turn affirmed the Department of Agrarian Reform Adjudication Board's (DARAB) ruling in DARAB Case No. 8117 which ordered, among others: (1) the Hughes heirs to vacate the premises of the 399 hectares awarded to the 133 awardees and turn over the peaceful possession thereof to the said 133 awardees or their heirs; and (2) Lapanday and the Hughes heirs to restore Estita, *et al*., to their respective farm lots within the 317 hectares owned by the Hughes heirs. After the promulgation of the said Decision, the Heirs of Egalan-Gubayan clan filed before the Court a Motion for Leave to Admit Attached Complaint/

Comment-in-Intervention in said case but the motion was denied for late filing.[5]

The present controversy arose when, on December 19, 2008, Atty. Roland Manalaysay, OIC-Executive Director of the DARAB Secretariat, issued a Writ of Execution in DARAB Case No. 8117. Pursuant to this Writ, DARAB Sheriff Buenaventura issued a Notice to Vacate Premises commanding the Heirs of Egalan-Gubayan, and all agents, representatives, assigns, and all other persons acting in their behalf to do the following, to wit:

> x x x to VACATE, within FIFTEEN (15) calendar days, the ENTIRE premises of the 399 hectares pertaining to the 133 awardees who were identified in the Order of the Natural Resources Minister dated September 17, 1981 . . .
>
> x x x to VACATE, within FIFTEEN (15) calendar days, the ENTIRE premises of the 317 hectares pertaining to MAXIMO ESTITA, ET. ALS. [sic], and to ALL the MEMBERS of the DAVAO DEL SUR FARMERS ASSOCIATION (DASURFA) and now MALALAG UNITED FARMERS MULTI-PURPOSE COOPERATIVE (MUFMPC) x x x.[6]

On February 20, 2009, the private respondents, then minors who are members of the Egalan-Gubayan clan of the Tagacaolo tribe of Malalag, Davao del Sur, filed a case for Injunction with Very Urgent Prayer for the Issuance of a TRO and/or WPI before the NCIP-RHO in order to enjoin the implementation of the Writ of Execution and Notice to Vacate issued by the DARAB, in representation of their generation and future generations.

Prior to the present controversy, the dispute over the land claimed by both petitioners and respondents also spawned other cases, as follows:

(1) On January 24, 2006, the Heirs of Egalan-Gubayan clan filed before the Regional Trial Court (RTC) of Digos City,

---

[5] *Id.* at 40.

[6] *Id.* at 41.

Davao del Sur, for Quieting of Title, Injunction/Prohibition, Specific Performance, Recognition of Ownership, Accounting, Damages, Attorney's Fees, with Very Urgent Prayer for Preliminary Injunction and Temporary Restraining Order *(Civil Case No. 4680)* against Estita, *et al*.[7] On November 17, 2006, the RTC issued a Cease and Desist Order which directed the parties to refrain from doing acts which may tend to disturb the peace and tranquility of the area subject of the case. On March 26, 2007, the same RTC directed all defendants to refrain from further acting on the claims of the parties in the case, including the installation of any persons in the subject area claimed as ancestral land of the plaintiffs and confirmed by the NCIP to be so.[8]

(2) On November 15, 2006, the NCIP, through Commissioner Felecito L. Masagnay (Commissioner Masagnay) filed with the CA a petition for prohibition, *mandamus* and injunction against the DAR/DARAB *(CA-G.R. SP No. 01377)*.[9] Said petition sought to prohibit the DAR/DARAB from exercising its jurisdiction over the ancestral land of the Heirs of Egalan-Gubayan clan and to comply with Section 52 (i)[10] of the IPRA.

(3) On July 31, 2007, the Heirs of Egalan-Gubayan clan filed another case *(Civil Case No. 4818)* before the RTC of Digos

---

[7] *Id.* at 40.

[8] *Id.*

[9] *Id.*

[10] SEC. 52. *Delineation Process*. — The identification and delineation of ancestral domains shall be done in accordance with the following procedures:

x x x x x x x x x

i) *Turnover of Areas within Ancestral Domains Managed by Other Government Agencies*. — The Chairperson of the NCIP shall certify that the area covered is an ancestral domain. The secretaries of the Department of Agrarian Reform, Department of Environment and Natural Resources, Department of the Interior and Local Government, and Department of Justice, the Commissioner of the National Development Corporation, and any other government agency claiming jurisdiction over the area shall be notified thereof. Such notification shall terminate any legal basis for the jurisdiction previously claimed;

City for the declaration of nullity of the Order dated July 31, 2007 of then DENR Secretary Angelo T. Reyes.[11] The assailed Order recalled the Memorandum dated November 5, 2004 of former DENR Secretary Michael T. Defensor which ordered the DENR to cease and desist from acting further on the claims of the 133 claimants to the 399 hectares on account of the Resolution[12] of the NCIP dated October 5, 2004, declaring the 845 hectares of land as ancestral land of the Heirs of Egalan-Gubayan clan.

Proceedings before the NCIP

On February 24, 2009, the RHO issued a TRO upon finding the complaint to be proper in form and substance. Subsequently, however, on July 17, 2009, the RHO dismissed the case on the ground of forum-shopping and on the ground that the NCIP had relinquished its jurisdiction over the controversy when it filed before the CA the petition for prohibition, *mandamus* and injunction against the DAR/DARAB in CA-G.R. SP No. 01377.[13]

Respondents then filed an appeal before the NCIP on July 22, 2009, with motion for the issuance of a TRO and WPI. On July 24, 2009, the NCIP issued a 20-day TRO.[14] On August 14, 2009, the NCIP resolved to issue a WPI upon the posting of bond in the amount of ₱500,000.00, which the respondents filed in cash.[15]

On January 21, 2010, the NCIP received a Manifestation from Commissioner Masagnay voluntarily inhibiting himself from further participation in the proceedings. Said inhibition was noted by the NCIP in its Order dated January 22, 2010.[16]

---

[11] NCIP Decision dated February 18, 2010, *supra* note 2, at 40.

[12] *Rollo*, pp. 748-767.

[13] NCIP Decision dated February 18, 2010, *supra* note 2, at 41.

[14] *Id.*

[15] *Id.*

[16] *Id.* at 41-42.

In its assailed Decision dated February 18, 2010, the NCIP reversed the RHO and ruled as follows:

(1) Respondents did not commit forum-shopping as there is no identity of parties in the present case and Civil Case No. 4680. Respondents, as minors, should be accorded separate personality to sue distinct and separate from their elders, similar to the petitioners in *Oposa v. Factoran, Jr.*;[17]

(2) The passage of the IPRA and the subsequent confirmation by the NCIP of the native title of the Heirs of Egalan-Gubayan through the issuance of the CALT are supervening events which rendered the execution of the award in favor of the 133 awardees unenforceable;[18]

(3) The NCIP cannot be said to have been ousted of its jurisdiction by filing the injunction case against the DAR/ DARAB before the CA as it only performed its public function to compel the DAR to comply with Section 52 (i) of the IPRA and require the latter to terminate its jurisdiction over the ancestral land of the Heirs of Egalan-Gubayan;[19]

(4) Respondents cannot be bound by the ruling in G.R. No. 162109 as they were not parties therein. The said ruling also did not confer vested rights upon petitioners over the land in question as it merely gave them preferential right over other applicants, subject to compliance with the requirements of possession and occupation and subsequent filing of their respective applications with the Bureau of Lands in accordance with the Public Land Act;[20]

(5) Considering that the NCIP has jurisdiction over the case, it has the power to issue an injunction under Section 69 (d)[21] of

---

[17] *Id.* at 43-44.

[18] *Id.* at 46-47.

[19] *Id.* at 47.

[20] *Id.* at 47-49.

[21] SEC. 69. *Quasi-Judicial Powers of the NCIP*. — The NCIP shall have the power and authority:

the IPRA. Section 55 of R.A. No. 6657,[22] or the Comprehensive Agrarian Reform Law (CARL) of 1988, which prohibits courts in the Philippines from issuing any restraining order or writ of preliminary injunction against the PARC or any of its duly authorized or designated agencies, does not apply since the present case is not a case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of the CARL and other pertinent laws on agrarian reform.[23]

The dispositive portion of the Decision reads:

> WHEREFORE, IN VIEW OF THE FOREGOING, this Commission hereby renders judgment reversing and setting aside the Decision of NCIP-RHO RXI dated [July 17, 2009] and enters a new one declaring that there is no forum-shopping and that this Commission has jurisdiction over the petition and hereby issues a permanent injunction making the preliminary injunction permanent thereby forestalling permanently the undue and unlawful implementation of the DARAB Provincial Sheriffs Notice to Vacate Premises dated 23 January 2009 and/or of the DARAB Secretariat's Writ of Execution dated 19 December 2008 and such other writs that may be issued by DAR or DENR in the future. It is likewise ordered that private respondents and the DAR/DARAB, DENR, their agents, representatives, assigns and all other persons acting in their behalf to cease and desist permanently from and all acts, preparatory and/or necessary to the implementation of the stated Notice and Writ and/or such other writs

---

x x x   x x x   x x x

d) To enjoin any or all acts involving or arising from any case pending before it which, if not restrained forthwith, may cause grave or irreparable damage to any of the parties to the case or seriously affect social or economic activity.

[22] SEC. 55. *No Restraining Order or Preliminary Injunction*. — No court in the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the [Presidential Agrarian Reform Council] PARC or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform.

[23] NCIP Decision dated February 18, 2010, *supra* note 2, at 51.

that may be issued in the future. Finally, it is ordered that the [petitioners] to completely and perpetually cease and desist from actions that are or may be interpreted as prejudicial to or impairing the rights of the ICCs/IPs within their ancestral land and their peaceful and continuing ownership of their ancestral land, such as but not limited to entering into the land without the prior consent of the ICCs/IPs concerned, erecting of structure thereon and harvesting tree, or fruit found inside the ancestral land.

SO ORDERED.[24]

Petitioners then sought direct recourse before the Court through this present Petition for *Certiorari* and *Prohibition*, imputing grave abuse of discretion on the part of respondent NCIP in issuing the assailed Decision, to wit:

A.) THE NCIP COMMITTED GRAVE ABUSE OF DISCRETION IN HOLDING THAT RESPONDENTS ARE NOT GUILTY OF DELIBERATE FORUM SHOPPING;

B.) THE NCIP ACTED BEYOND ITS JURISDICTION WHEN IT RULED THAT THE IPRA OF 1997 IS A SUPERVENING EVENT WHICH RENDERED INEFFECTIVE THE SUPREME COURT DECISION IN MINISTER OF NATURAL RESOURCES AND DIRECTOR OF LANDS v. HEIRS OF ORVAL HUGHES;

C.) THE NCIP ACTED WITH MANIFEST ILLEGALITY WHEN IT MAINTAINED IT HAS JURISDICTION TO TAKE COGNIZANCE OF THE CASE DESPITE BEING A PARTY-MOVANT TO ANOTHER CASE INVOLVING THE SAME ISSUES, PARTIES AND SUBJECT MATTER BEFORE THE COURT OF APPEALS;

D.) THE NCIP ACTED IN EXCESS OF ITS JURISDICTION WHEN IT PRONOUNCED THAT RESPONDENTS ARE ENTITLED TO AN INJUNCTIVE RELIEF.[25]

Aside from the reversal and setting aside of the assailed NCIP Decision, petitioners pray that the Court issue an order mandating

---

[24] *Id.* at 54-55.

[25] *Rollo*, pp. 13-14.

lower courts and tribunals to desist from entertaining actions, to disallow future litigations, or to dismiss future actions affecting the implementation of the ruling in G.R. No. L-62664, which petitioners invoke as basis for their alleged vested right over the 399 hectares of land awarded under the 1957 Amended Decision.

In its Comment,[26] public respondent NCIP prays for the dismissal of the petition, arguing that the present petition was prematurely filed since petitioners did not file a MR, and the proper remedy against the assailed Decision is to file a petition for review to the CA, which was lost when petitioners failed to pay the full docket fees as required by the Rules. It also reiterates the following arguments: (1) that there is no forum-shopping as there is no identity of parties in the present case and Civil Case No. 4680, since the private respondents, as minors, should be accorded separate personality to sue distinct and separate from their elders; (2) the passage of the IPRA and the subsequent confirmation by the NCIP of the native title of the Heirs of Egalan-Gubayan through the issuance of the CALT are supervening events which rendered the execution of the award in favor of the 133 awardees unenforceable; (3) the NCIP cannot be said to have been ousted of its jurisdiction by filing the injunction case against the DAR/DARAB before the CA as it only performed its public function to compel the DAR to comply with Section 52 (i) of R.A. No. 8371 and require the latter to terminate its jurisdiction over the ancestral land of the Heirs of Egalan-Gubayan; and (4) respondents are entitled to injunctive relief granted by the NCIP.

Private respondents filed two separate Comments, one through Atty. Rodolfo F. Valmoria, Jr.,[27] and another through Brianie T. Pasandalan,[28] forwarding arguments similar to those of the NCIP in support of their prayer for the dismissal of the present petition.

---

[26] *Id.* at 369-395.

[27] *Id.* at 474-485.

[28] *Id.* at 396-430.

Petitioners, traversing the comments,[29] reiterate their arguments regarding propriety of direct resort before the Court through a petition for *certiorari* and that respondents are guilty of forum-shopping. They also contend that the ruling in G.R. No. L-62664 should bind respondents, claiming that Dalia/ Victorina, Bae Tenorio's mother, is also an heir of Princess Gubayan like the Hughes heirs.

The Court's Ruling

The Court partly GRANTS the petition and SETS ASIDE the assailed NCIP Decision.

Preliminary Considerations

At the outset, the Court notes that petitioners filed a petition for *certiorari* and prohibition despite the availability of an appeal. *Second*, petitioners filed the present petition without first filing a motion for reconsideration of the assailed NCIP Decision. Lastly, petitioners filed the present petition directly before the Court instead of the CA in violation of the doctrine of hierarchy of courts. In the present case, petitioners acknowledge that decisions of the NCIP are appealable to the CA *via* a petition for review, citing Section 3, Rule IX of NCIP Administrative Order No. 01-98, or the Implementing Rules and Regulations of the IPRA, as well as Rule 43 of the Rules of Court. Nevertheless, to justify their resort to a petition for *certiorari* and prohibition despite the availability of an appeal, petitioners cite *Fortich v. Corona*[30] and maintain that similar to the said case, the NCIP's decision is a patent nullity and issued beyond its jurisdiction or with grave abuse of discretion as it reversed the final and executory decision in G.R. No. L-62664.[31]

Section 67 of the IPRA provides that "[d]ecisions of the NCIP shall be appealable to the CA by way of a petition for review."

---

[29] Consolidated Traverse to Respondents' Comment; *id.* at 505-515.

[30] 352 Phil. 461 (1998).

[31] *Rollo*, p. 8.

In *Unduran v. Aberasturi*,[32] the Court, citing said Section 67, had occasion to state that such petition for review shall be filed before the CA under Rule 43.[33] Under Section 1, Rule 65, one of the requisites before a petition for *certiorari* may be filed, is the absence of an appeal or any plain, speedy, and adequate remedy in the ordinary course of law, to wit:

> SEC. 1. *Petition for certiorari.* — When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess of its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, **and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law**, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such tribunal, board or officer, and granting such incidental reliefs as law and justice may require. x x x (Emphasis supplied)

In *Madrigal Transport, Inc. v. Lapanday Holdings Corporation*,[34] we had the occasion to state that a petition for *certiorari*, not being a substitute for a lost appeal, cannot prosper if an appeal is available even when the ground is grave abuse of discretion, to wit:

> Where appeal is available to the aggrieved party, the action for *certiorari* will not be entertained. Remedies of appeal (including petitions for review) and *certiorari* are mutually exclusive, not alternative or successive. Hence, *certiorari* is not and cannot be a substitute for an appeal, especially if one's own negligence or error in one's choice of remedy occasioned such loss or lapse. One of the requisites of *certiorari* is that there be no available appeal or any plain, speedy and adequate remedy. Where an appeal is available, *certiorari* will not prosper, even if the ground therefor is grave abuse of discretion.[35] (Citations omitted)

---

[32] 808 Phil. 795 (2017).

[33] *Id.* at 818.

[34] 479 Phil. 768 (2004).

[35] *Id.* at 782-783.

Also, as a general rule, *certiorari* will not lie unless a motion for reconsideration (MR) was first filed before the respondent court, tribunal, or officer in order to allow it to correct the alleged errors;[36] as unless such motion is considered a plain and adequate remedy expressly available under the law.[37]

Finally, although the Court, the CA, and the RTCs have concurrent original jurisdiction over petitions for *certiorari*, prohibition, *mandamus*, *quo warranto*, and *habeas corpus*, parties are directed, as a rule, to file their petitions before the lower-ranked court.[38] As explained in *People v. Cuaresma*:[39]

> This Court's original jurisdiction to issue writs of *certiorari* (as well as prohibition, *mandamus*, *quo warranto*, *habeas corpus* and injunction) is not exclusive. It is shared by this Court with Regional Trial Courts (formerly Courts of First Instance), which may issue the writ, enforceable in any part of their respective regions. It is also shared by this Court, and by the Regional Trial Court, with the Court of Appeals (formerly, Intermediate Appellate Court), although prior to the effectivity of *Batas Pambansa Bilang* 129 on August 14, 1981, the latter's competence to issue the extraordinary writs was restricted to those "in aid of its appellate jurisdiction." This concurrence of jurisdiction is not, however, to be taken as according to parties seeking any of the writs an absolute, unrestrained freedom of choice of the court to which application therefor will be directed. There is after all a hierarchy of courts. That hierarchy is determinative of the venue of appeals, and should also serve as a general determinant of the appropriate forum for petitions for the extraordinary writs. A becoming regard for that judicial hierarchy most certainly indicates that petitions for the issuance of extraordinary writs against first level ("inferior") courts should be filed with the Regional Trial Court, and those against the latter, with the Court of Appeals. A direct invocation of the Supreme Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition. This is established policy. It

---

[36] *Id.* at 782.

[37] *Id.*

[38] *Gios Samar, Inc. v. Department of Transportation and Communications*, G.R. No. 217158, March 12, 2019.

[39] 254 Phil. 418 (1989).

is a policy that is necessary to prevent inordinate demands upon the Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of the Court's docket. Indeed, the removal of the restriction on the jurisdiction of the Court of Appeals in this regard, *supra* — resulting from the deletion of the qualifying phrase, "in aid of its appellate jurisdiction" — was evidently intended precisely to relieve this Court *pro tanto* of the burden of dealing with applications for the extraordinary writs which, but for the expansion of the Appellate Court's corresponding jurisdiction, would have had to be filed with it.[40] (Citations omitted)

Direct resort to the Court in violation of the doctrine of hierarchy of courts is a sufficient cause for dismissal of the complaint.[41] While it is true that in *The Diocese of Bacolod v. Commission on Elections*,[42] we have recognized exceptions[43] to this doctrine, we have clarified in *Gios Samar, Inc. v. Department of Transportation and Communications*[44] that it is not the presence of one or more of the so-called "special and important

---

[40] *Id.* at 426-427.

[41] *Gios Samar, Inc. v. Department of Transportation and Communications*, *supra* note 38.

[42] 751 Phil. 301 (2015).

[43] (1) when there are genuine issues of constitutionality that must be addressed at the most immediate time;
(2) when the issues involved are of transcendental importance;
(3) cases of first impression;
(4) the constitutional issues raised are better decided by the Court;
(5) exigency in certain situations;
(6) the filed petition reviews the act of a constitutional organ;
(7) when petitioners rightly claim that they had no other plain, speedy, and adequate remedy in the ordinary course of law that could free them from the injurious effects of respondents' acts in violation of their right to freedom of expression; [and]
(8) the petition includes questions that are "dictated by public welfare and the advancement of public policy, or demanded by the broader interest of justice, or the orders complained of were found to be patent nullities, or the appeal was considered as clearly an inappropriate remedy."

[44] *Gios Samar, Inc. v. Department of Transportation and Communications*, *supra* note 38.

reasons," but the *nature* of the question raised by the parties in those "exceptions," which is "the decisive factor considered by the Court in deciding whether to permit the invocation, at the first instance, of its original jurisdiction over the issuance of extraordinary writs."[45]

Despite these procedural infirmities, the Court deems it prudent not to dismiss the petition on account of such lapses, and instead resolve the case on the merits in order to write finis to the controversy. In any case, the Court finds that in resolving this petition, the question of whether the NCIP committed grave abuse of discretion in affording injunctive relief in favor of the private respondents and restraining the implementation of the Notice to Vacate issued by the DARAB, is one of law which the Court may properly resolve. To our mind, resolving such question does not require us to review the truth or falsity of alleged facts.[46] Rather, the present case presents to us a question of law since the doubt arises as to what the law is on a certain set of facts[47] and the determination of such does not require us to review any evidence presented.[48]

We now proceed to discuss the issues raised by the parties, particularly on the issue of the NCIP's jurisdiction. In doing so, it must be emphasized that the ruling in the present petition is only limited to the injunction issued by the NCIP in its assailed Decision. Our ruling here does not in any way determine who between the parties ultimately has a better right over the land in dispute.

The NCIP Has No Jurisdiction Over the Action Filed by the Private Respondents

---

[45] *Id.*

[46] There is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. See *Century Iron Works, Inc. v. Bañas*, 711 Phil. 576, 585-586 (2013).

[47] *Id.* at 585.

[48] *Id.* at 586.

The Court first resolves the question of the NCIP's jurisdiction since a court or an adjudicative body, such as the NCIP in this case, should acquire jurisdiction over the subject matter in order for it to have authority to dispose of the case on the merits,[49] and considering that any act performed by a court or tribunal without jurisdiction shall be null and void, and without any binding legal effects.[50]

Petitioners assert that the NCIP had no jurisdiction over the case when it filed the petition in CA-G.R. SP No. 01377 against the DAR and DARAB in order to compel the latter to comply with Section 52 (i) of R.A. No. 8371. The respondents, on the other hand, maintain that the filing of said case before the CA did not oust the NCIP of its jurisdiction over the dispute, as the said agency was merely fulfilling its mandate under the IPRA. It appears from the records that the CA has rendered a Decision[51] dated March 31, 2012 in CA-G.R. SP No. 01377 granting NCIP's petition for prohibition, the *fallo* of which reads:

> ACCORDINGLY, the petition for prohibition is GRANTED. The DARAB's Amended Order with Writ of Execution dated October 3, 2006 and the DAR Sheriff's Notice to Vacate Premises dated October 30, 2006 are SET ASIDE [insofar] as the 701.1459 hectare ancestral land covered by CALT No. R11-MAL-0905-000049 is concerned. The DARAB and the DAR Sheriff are ordered to desist from further implementing the writ of execution against the Heirs of Egalan-Gubayan Clan.
>
> SO ORDERED.[52]

In ruling in the NCIP's favor, the CA in CA-G.R. SP No. 01377 ruled that the issuance of CALT No. R11-MAL-0905-000049 constitutes a supervening event, which rendered the

---

[49] See *Bilag v. Ay-ay*, 809 Phil. 236 (2017).

[50] *Id.* at 243.

[51] Penned by Associate Justice Romulo V. Borja, with Associate Justices Pamela Ann Abella Maxino and Zenaida Galapate-Laguilles, concurring; *rollo*, pp. 932-970.

[52] *Id.* at 970.

execution of the Decision in G.R. No. 162109, unjust and impractical insofar as the dispossession of the Egalan-Gubayan clan is concerned, as the issuance of said CALT evidences the official recognition of the ancestral land of the Egalan-Gubayan clan, which they owned since time immemorial and is entitled to its possession. Furthermore, even assuming that the issuance of said CALT is not a supervening event insofar as the execution of G.R. No. 162109 is concerned, the Egalan-Gubayan clan cannot be prejudiced by said Decision as they were not parties thereto, the action involved therein being one for delivery of possession from one person to another, thus *in personam*.

Without passing upon the correctness of the ruling in CA-G.R. SP No. 01377, we hold that the NCIP has no jurisdiction over the present case but not on the basis of the argument forwarded by petitioners. Regardless of the action taken by the NCIP as petitioner in CA-G.R. SP No. 01377, the Court is guided by the following principle in determining the jurisdiction of the NCIP:

> [J]urisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action. The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. The averments in the complaint and the character of the relief sought are the ones to be consulted. Once vested by the allegations in the complaint, jurisdiction also remains vested irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.[53] (Citation omitted)

In the Court's Decision dated October 20, 2015, in *Unduran v. Aberasturi*,[54] it was held that the jurisdiction of the NCIP under Section 66[55] of the IPRA over claims and disputes

---

[53] *Unduran v. Aberasturi*, 771 Phil. 536, 562 (2015).

[54] *Id.*

[55] SEC. 66. *Jurisdiction of the NCIP*. — The NCIP, through its regional offices, shall have jurisdiction over all claims and disputes involving rights

involving rights of indigenous cultural communities (ICCs) and indigenous peoples (IPs) arises only when such claims or disputes are between or among parties who belong to the same ICC/IP. In said Decision, we explained:

A careful review of Section 66 shows that the NCIP shall have jurisdiction over claims and disputes involving rights of ICCs/IPs only when they arise between or among parties belonging to the same ICC/IP. This can be gathered from the qualifying provision that "no such dispute shall be brought to the NCIP unless the parties have exhausted all remedies provided under their customary laws. For this purpose, a certification shall be issued by the Council of Elders/ Leaders who participated in the attempt to settle the dispute that the same has not been resolved, which certification shall be a condition precedent to the filing of a petition with the NCIP."

The qualifying provision requires two conditions before such disputes may be brought before the NCIP, namely: (1) exhaustion of remedies under customary laws of the parties, and (2) compliance with condition precedent through the said certification by the Council of Elders/Leaders. This is in recognition of the rights of ICCs/IPs to use their own commonly accepted justice systems, conflict resolution institutions, peace building processes or mechanisms and other customary laws and practices within their respective communities, as may be compatible with the national legal system and with internationally recognized human rights.

Section 3 (f) of the IPRA, defines customary laws as a body of written and/or unwritten rules, usages, customs and practices traditionally and continually recognized, accepted and observed by respective ICCs/IPs. From this restrictive definition, it can be gleaned that it is only when both parties to a case belong to the same ICC/ IP that the abovesaid two conditions can be complied with. If the parties to a case belong to different ICCs/IPs which are recognized to have their own separate and distinct customary laws and Council of Elders/Leaders, they will fail to meet the abovesaid two conditions.

---

of ICCs/IPs: Provided, however, That no such dispute shall be brought to the NCIP unless the parties have exhausted all remedies provided under their customary laws. For this purpose, a certification shall be issued by the Council of Elders/Leaders who participated in the attempt to settle the dispute that the same has not been resolved, which certification shall be a condition precedent to the filing of a petition with the NCIP.

The same holds true if one of such parties was a non-ICC/IP member who is neither bound by customary laws as contemplated by the IPRA nor governed by such council. Indeed, it would be violative of the principles of fair play and due process for those parties who do not belong to the same ICC/IP to be subjected to its customary laws and Council of Elders/Leaders.

Therefore, pursuant to Section 66 of the IPRA, the NCIP shall have jurisdiction over claims and disputes involving rights of ICCs/IPs only when they arise between or among parties belonging to the same ICC/IP. When such claims and disputes arise between or among parties who do not belong to the same ICC/IP, *i.e.*, parties belonging to different ICC/IPs or where one of the parties is a non-ICC/IP, the case shall fall under the jurisdiction of the proper Courts of Justice, instead of the NCIP.[56] x x x

In the subsequent Resolution dated April 18, 2017 in *Unduran*,[57] the Court also held that the NCIP's jurisdiction under Section 66 is limited, but not concurrent with the RTCs,[58] and has primary jurisdiction under Sections 52 (h)[59] and

---

[56] *Unduran v. Aberasturi*, *supra* note 53, at 568-569.

[57] 808 Phil. 795 (2017).

[58] *Id.* at 813-814.

[59] SEC. 52. *Delineation Process*. — The identification and delineation of ancestral domains shall be done in accordance with the following procedures:

x x x x x x x x x

h) Endorsement to NCIP. — Within fifteen (15) days from publication, and of the inspection process, the Ancestral Domains Office shall prepare a report to the NCIP endorsing a favorable action upon a claim that is deemed to have sufficient proof. However, if the proof is deemed insufficient, the Ancestral Domains Office shall require the submission of additional evidence: Provided, That the Ancestral Domains Office shall reject any claim that is deemed patently false or fraudulent after inspection and verification: Provided, further, That in case of rejection, the Ancestral Domains Office shall give the applicant due notice, copy furnished all concerned, containing the grounds for denial. The denial shall be appealable to the NCIP: Provided, furthermore, That in cases where there are conflicting claims among ICCs/IPs on the boundaries of ancestral domain claims, the Ancestral Domains Office shall cause the contending parties to meet and assist them in coming up with a

53,[60] in relation to Section 62[61] of the IPRA, and Section 54[62] thereof.[63] As to the latter, it was also emphasized that the NCIP has primary jurisdiction over cases where one of the parties is not a ICC/IP or the parties are from different ICCs/IP under the following provisions of the IPRA:

---

preliminary resolution of the conflict, without prejudice to its full adjudication according to the section below.

[60] SEC. 53. *Identification, Delineation and Certification of Ancestral Lands*. —

x x x x x x x x x

e) Upon receipt of the applications for delineation and recognition of ancestral land claims, the Ancestral Domains Office shall cause the publication of the application and a copy of each document submitted including a translation in the native language of the ICCs/IPs concerned in a prominent place therein for at least fifteen (15) days. A copy of the document shall also be posted at the local, provincial, and regional offices of the NCIP and shall be published in a newspaper of general circulation once a week for two (2) consecutive weeks to allow other claimants to file opposition thereto within fifteen (15) days from the date of such publication: Provided, That in areas where no such newspaper exists, broadcasting in a radio station will be a valid substitute: Provided, further, That mere posting shall be deemed sufficient if both newspapers and radio station are not available;

[61] SEC. 62. *Resolution of Conflicts*. — In cases of conflicting interest, where there are adverse claims within the ancestral domains as delineated in the survey plan, and which cannot be resolved, the NCIP shall hear and decide, after notice to the proper parties, the disputes arising from the delineation of such ancestral domains: Provided, That if the dispute is between and/or among ICCs/IPs regarding the traditional boundaries of their respective ancestral domains, customary process shall be followed. The NCIP shall promulgate the necessary rules and regulations to carry out its adjudicatory functions: Provided, further, That any decision, order, award or ruling of the NCIP on any ancestral domain dispute or on any matter pertaining to the application, implementation, enforcement and interpretation of this Act may be brought for Petition for Review to the Court of Appeals within fifteen (15) days from receipt of a copy thereof.

[62] SEC. 54. *Fraudulent Claims*. — The Ancestral Domains Office may, upon written request from the ICCs/IPs, review existing claims which have been fraudulently acquired by any person or community. Any claim found to be fraudulently acquired by, and issued to, any person or community may be cancelled by the NCIP after due notice and hearing of all parties concerned.

[63] *Unduran v. Aberasturi*, *supra* note 53, at 814.

(1) Section 52(h) of the IPRA anent the power of the NCIP Ancestral Domain Office (ADO) to deny application for Certificate of Ancestral Domain Titles (CADTs), in relation to Section 62, regarding the power of the NCIP to hear and decide unresolved adverse claims;

(2) Section 53 on the NCIP-ADO's power to deny applications for Certificate CALTs and on the NCIP's power to grant meritorious claims and resolve conflicting claims; and

(3) Section 54 as to the power of the NCIP to resolve fraudulent claims over ancestral domains and lands.

Under the foregoing pronouncements in *Unduran*, it is clear that the NCIP has no jurisdiction over the complaint filed by private respondents considering that the parties do not belong to the same ICC/IP. The case does not fall under any of those where the NCIP has primary jurisdiction even when one of the parties is not an ICC/IP or the parties are from different ICCs/IP, as the injunction prayed for is for the purpose of restraining the implementation of the Notice to Vacate and the Writ of Execution issued by the DARAB.

The Court does not have any reason not to apply the pronouncements in *Unduran*. As a rule, judicial interpretations form part of the law upon the date of effectivity of the said law, and the exception to this is when a doctrine of the Court overturns or reverses a previous doctrine and adopts a different view, in which case the new doctrine must be applied prospectively.[64] The following excerpt from *Columbia Pictures, Inc. v. Honorable Court of Appeals*,[65] cited in *Philippine International Trading Corporation v. Commission on Audit*,[66] explains this in length, to wit:

Article 4 of the Civil Code provides that "(l)aws shall have no retroactive effect, unless the contrary is provided.["] Correlatively,

[64] See *Philippine International Trading Corporation v. Commission on Audit*, 821 Phil. 144 (2017).

[65] 329 Phil. 875 (1996).

[66] *Philippine International Trading Corporation v. Commission on Audit*, *supra* note 64.

Article 8 of the same Code declares that "(j)udicial decisions applying the laws or the Constitution shall form part of the legal system of the Philippines."

Jurisprudence, in our system of government, cannot be considered as an independent source of law; it cannot create law. While it is true that judicial decisions which apply or interpret the Constitution or the laws are part of the legal system of the Philippines, still they are not laws. Judicial decisions, though not laws, are nonetheless evidence of what the laws mean, and it is for this reason that they are part of the legal system of the Philippines. Judicial decisions of the Supreme Court assume the same authority as the statute itself.

Interpreting the aforequoted correlated provisions of the Civil Code and in light of the above disquisition, this Court emphatically declared in *Co vs. Court of Appeals, et al.*, that the principle of prospectivity applies not only to original amendatory statutes and administrative rulings and circulars, but also, and properly so, to judicial decisions. x x x.

x x x x x x x x x

The reasoning behind *Senarillos vs. Hermosisima* that judicial interpretation of a statute constitutes part of the law as of the date it was originally passed, since the Court's construction merely establishes the contemporaneous legislative intent that the interpreted law carried into effect, is all too familiar. **Such judicial doctrine does not amount to the passage of a new law but consists merely of a construction or interpretation of a pre-existing one[.]** x x x.

It is consequently clear that a judicial interpretation becomes a part of the law as of the date that law was originally passed, subject only to the qualification that when a doctrine of this Court is overruled and a different view is adopted, and more so when there is a reversal thereof, the new doctrine should be applied prospectively and should not apply to parties who relied on the old doctrine and acted in good faith. To hold otherwise would be to deprive the law of its quality of fairness and justice then, if there is no recognition of what had transpired prior to such adjudication.[67] (Emphasis in the original, citations omitted)

It is true that years prior to the ruling in *Unduran*, the Court promulgated its Decision in *City Government of Baguio v.*

[67] *Id.* at 155-156.

Masweng (City Government of Baguio),[68] where it upheld the jurisdiction of the NCIP over a petition for injunction filed by members of the Ibaloi tribe against the demolition orders issued by the City Mayor of Baguio City. We held therein:

The NCIP is the primary government agency responsible for the formulation and implementation of policies, plans and programs to protect and promote the rights and well-being of indigenous cultural communities/indigenous peoples (ICCs/IPs) and the recognition of their ancestral domains as well as their rights thereto. In order to fully effectuate its mandate, the NCIP is vested with jurisdiction over all claims and disputes involving the rights of ICCs/IPs. The only condition precedent to the NCIP's assumption of jurisdiction over such disputes is that the parties thereto shall have exhausted all remedies provided under their customary laws and have obtained a certification from the Council of Elders/Leaders who participated in the attempt to settle the dispute that the same has not been resolved.[69] (Citations omitted)

In *Unduran*, particularly in the Resolution dated April 18, 2017, the Court addressed what Justice Jose P. Perez described in his Concurring Opinion to the Decision dated October 20, 2015 as "implicit affirmation" in *City Government of Baguio* of the NCIP's jurisdiction over cases where one of the parties is not an ICC/IP in the following manner:

Anent what Justice Perez described as the "implicit affirmation" done in *The City Government of Baguio City v. Masweng* of the NCIP's jurisdiction over cases where one of the parties is not ICC/IPs, a careful review of that case would show that the Court merely cited Sections 3 (k), 38 and 66 of the IPRA and Section 5 of NCIP Administrative Circular No. 1-03 dated April 9, 2003, known as the Rules on Pleadings, Practice and Procedure before the NCIP, as bases of its ruling to the effect that disputes or controversies over ancestral lands/domains of ICCs/IPs are within the original and exclusive jurisdiction of the NCIP-RHO. However, the Court did not identify and elaborate on the statutory basis of the NCIP's "original and exclusive jurisdiction" on disputes or controversies over ancestral

---

[68] 597 Phil. 668 (2009).

[69] *Id.* at 674.

lands/domains of ICCs/IPs. Hence, such description of the nature and scope of the NCIP's jurisdiction made without argument or full consideration of the point, can only be considered as an *obiter dictum*, which is a mere expression of an opinion with no binding force for purposes of *res judicata* and does not embody the determination of the court.[70] (Citations omitted)

From the above discussion, the ruling in *Unduran* on the proper interpretation of Section 66 of the IPRA regarding the NCIP's jurisdiction may be applied to the present case despite the fact that said ruling was only promulgated during the pendency of this case before the Court, and despite the earlier ruling in *City Government of Baguio*. This is because the ruling in the latter is non-binding and a mere expression of opinion and it cannot be said that *Unduran* overturned or reversed a prior doctrine as regards said provision of the IPRA. Hence, with respect to *Unduran*, the Court applies the general rule that a judicial interpretation becomes a part of the law as of the date that law was originally passed.

Considering that the NCIP has no jurisdiction to issue the injunction subject of the present petition, the Court will no longer pass upon the other issues raised by the parties. The Court deems it prudent to do so considering the existence of other cases in relation to the subject land. Civil Case No. 4680 was filed by the Heirs of Egalan-Gubayan clan wherein they prayed that their ownership of the subject land be recognized on the allegation that the claims being processed by the DAR and DENR, including those of the petitioners over the 399 hectares of land, constitute clouds upon their CALT. On the other hand, Civil Case No. 4818 was filed by the Heirs of Egalan-Gubayan clan seeking the nullification of the July 30, 2007 Order of then DENR Secretary Reyes which allowed the DENR to continue acting on the claims of the petitioners over the 399 hectares of the subject land despite the issuance of the CALT in their favor. Finally, the NCIP itself filed a petition for prohibition, *mandamus* and injunction against the DAR/DARAB (CA-G.R. SP No. 01377) in order to compel the latter to cease

---

[70] *Unduran v. Aberasturi*, *supra* note 53.

and desist from acting on the claims of the petitioners, with the CA eventually ruling in favor of the NCIP.

While it is true that the 1957 Amended Decision has long attained finality — as recognized by the Court in G.R. No. L-62664 — it is also undisputed that a CALT was already issued in the name of the Heirs of Egalan-Gubayan clan. To the Court's mind, the issue of whether the award in favor of the petitioners is a vested right, which cannot be impaired by the IPRA, or if the passage of the IPRA and the issuance of the CALT are supervening events which has rendered the execution of the award in the 1957 Amended Decision impossible, inequitable, or unfair, are questions which are beyond the scope of the present *certiorari* proceedings. These questions ultimately go into which between the parties has the better right over the disputed land. For this reason, the Court cannot grant petitioners' prayer that we enjoin other courts and other bodies from acting upon cases which tend to affect the execution of the judgment in G.R. No. L-62664.

Since the Court's ruling in this case is limited to the injunction issued by the NCIP, this shall not be construed as being determinative of the validity of the CALT in the name of the Heirs of Egalan-Gubayan clan. By setting aside the assailed ruling of the NCIP, the Court merely holds that under applicable law and jurisprudence, the action filed by the private respondents is not within the jurisdiction of the NCIP.

WHEREFORE, the petition is **PARTLY GRANTED**. The Decision of the National Commission on Indigenous Peoples dated February 18, 2010, is hereby **NULLIFIED and SET ASIDE**. Accordingly, the complaint for Injunction with Very Urgent Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction filed by private respondents is hereby **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Peralta, C.J. (Chairperson), Caguioa, Lazaro-Javier, and *Lopez, JJ.*, concur.

FIRST DIVISION

[G.R. No. 207059. August 19, 2020]

ASB REALTY CORPORATION, represented by ELENA F. FELIPE, *petitioner*, *vs.* **POLICARPIO L. ESPENESIN, Registrar, Register of Deeds of Pasig City,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; JUDGMENTS; *RES JUDICATA*; A RE-LITIGATION OF THE FACTS AND ISSUES WOULD BE VIOLATIVE THEREOF, WHICH IS ROOTED ON PUBLIC POLICY AND THE PURPOSE IS TO AVOID MULTIPLICITY OF SUITS; BAR BY PRIOR JUDGMENT AND CONCLUSIVENESS OF JUDGMENT, WHEN PRESENT; CASE AT BAR.—** [T]he crux of the issue in the *Ampil* case is similar to the issue in the case at bar, that is, whether or not respondent is administratively liable for altering the subject CCTs. A re-litigation, therefore, of the facts and issues would violate the *res judicata* rule, which is rooted on public policy; and the purpose is to avoid multiplicity of suits. Section 47(b) and Section 47(c) of Rule 39 of the Rules of Court embody the doctrine of *res judicata,* that is, bar by prior judgment and conclusiveness of judgment, respectively. A bar by prior judgment exists when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. On the other hand, there is conclusiveness of judgment when there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein.

2. **ID.; ID.; ID.; BAR BY PRIOR JUDGMENT; ELEMENTS; ESTABLISHED IN CASE AT BAR.—** What is relevant in this case is the application of the principle of bar by prior judgment. As discussed, the following elements must be present: (1) identity of parties; (2) identity of subject matter; and (3) identity of causes of action. *First*. There is identity of parties,

which is present when "the parties in both actions are the same or there is privity between them or they are successors-in-interest by title subsequent to the commencement of the action, litigating for the same thing and under the same title and in the same capacity." Notably, absolute identity of parties is not required as shared identity of interest is sufficient. Here, although the parties seemed to be different in both cases, that is, petitioner in this case is ASB Realty Corporation and the petitioner in G.R. No. 199115 is Ampil, there is substantial identity of interest between them. To recall, Ampil, petitioner's unsecured creditor, would be equally prejudiced by the alteration of CCTs as the condominium units covered was aimed to be contributed to the Asset Pool created under the Rehabilitation Plan of petitioner. In changing the ownership of the subject properties, the assets of petitioner greatly diminished, affecting not only petitioner but also its creditors like Ampil. It should be emphasized that while it may give a concomitant redress to parties aggrieved by the public official's complaint act/s, the purpose of an administrative case is not to exact retribution for the benefit of such aggrieved parties. We have held, time and again, that in administrative cases against government personnel, the offense is committed against the government and public interest. Thus, the complained act in this case, as well as in Ampil, was committed against the same parties, *i.e.*, the government and the public. *Second*. There is identity of subject matter. Undisputedly, the prior and the present cases deal with the subject CCTs which were altered by respondent. *Third*. There is identity of causes of action. In ascertaining the identity of causes of action, the test is to look into whether or not the same evidence fully supports and establishes both the present and the former causes of action. Here, the issues involved in both cases involve the determination of respondent's administrative liability for altering the subject CCTs. Clearly, all the elements of *res judicata* are present in this case. As such, the reversal of the CA ruling is thus warranted.

APPEARANCES OF COUNSEL

Jose Mendoza & Associates for petitioner.

R E S O L U T I O N

REYES, J. JR., *J.*:

Before this Court is a Petition for Review,[1] assailing the Decision[2] dated January 31, 2013 and the Resolution[3] dated April 29, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 117183, affirming the order of dismissal by the Office of the Ombudsman (Ombudsman) of the complaints for falsification of condominium certificates in the custody of Policarpio L. Espenesin (respondent) in his capacity as the Register of Deeds of Pasig City and violation of Section 3 (a) and (e) of Republic Act (R.A.) No. 3019.

The Relevant Antecedents

ASB Realty Corporation (petitioner) is the former developer of a condominium project used to be known as the ASB Malayan Tower (project). The project was stopped when petitioner encountered financial difficulties, which prompted it to file a Petition for Rehabilitation with the Securities and Exchange Commission (SEC).[4]

On April 30, 2002, petitioner executed a Memorandum of Agreement (MOA) with Malayan Insurance Co., Inc. (MICO). Under which, MICO would act as the developer to complete the project which is now known as the Malayan Plaza. Pursuant to Section 4 of the MOA, petitioner shall be entitled to a portion of all the net saleable areas of the project as its contribution thereto bear to the actual construction cost. Moreover, the MOA provides that petitioner shall be entitled to units/parking spaces

---

[1] *Rollo*, pp. 9-29.

[2] Penned by Associate Justice Angelita A. Gacutan, with Associate Justices Fernanda Lampas Peralta and Francisco P. Acosta, concurring; *id.* at 38-48.

[3] *Id.* at 50-51.

[4] *Id.* at 38-39.

in the MOA's Schedule I (pre-sold units), Schedule 3 (specific units/parking spaces), and Schedule 4 (units/parking spaces).[5]

Under Schedule 4 of the MOA, 53 units and 38 parking spaces were originally reserved for petitioner. However, after some small units were consolidated into big units, the number of units reserved for petitioner were reduced into 39 units: Unit Nos. 706, 902, 907, 911, 912, 914, 918, 1805, 1807, 1909, 1810, 1811, 1814, 1815, 1816, 1818, 2204, 2207, 2208, 2209, 2210, 2211, 2212, 2214, 2215, 2217, 2302, 2303, 2304, 2306, 2309, 2311, 2312, 2314, 2315, 2318, P5, 1214 (consolidated units of 1215 and 1214A), and 2316 (only up to the extent of 27.85 sq m comprising the former units of 2314).[6]

On March 11, 2015, the Register of Deeds of Pasig City issued 36 Condominium Certificates of Title (subject CCTs) in the name of petitioner corresponding to the following units reserved to it. Accordingly, the following CCTs were issued:

Unit No.	CCT No.
706	PT-40789
902	PT-40819
907	PT-40824
911	PT-40828
912	PT-40829
914	PT-40830
918	PT-40834
1805	PT-40955
1807	PT-40957
1809	PT-40959
1810	PT-40960
1811	PT-40961

[5] *Id.* at 39.

[6] *Id.*

1814	PT-40963
1815	PT-40964
1816	PT-40965
1818	PT-40967
2204	PT-41022
2207	PT-41025
2208	PT-41026
2209	PT-41027
2210	PT-41028
2211	PT-41029
2212	PT-41030
2214	PT-41031
2215	PT-41032
2217	PT-41034
2302	PT-41036
2303	PT-41037
2304	PT-41038
2306	PT-41040
2309	PT-41043
2311	PT-41045
2312	PT-41046
2314	PT-41048
2318	PT-41051
P5	PT-41209[7]

Despite such issuance, petitioner discovered that its name appearing in the subject CCTs were erased in the Office of the

[7] *Id.* at 72-108.

Register of Deeds of Pasig City. The name of petitioner as owner was replaced by the name of MICO.[8]

Armed with the provision under Presidential Decree (P.D.) No. 1529 which prohibits the alteration, erasure or amendment of a certificate of title *sans* court order, petitioner filed a complaint for falsification of documents under Article 171 (6) of the Revised Penal Code and violation of Section 3 (a) and (e) of R.A. No. 3019 before the Ombudsman.[9]

In his Counter-affidavit, respondent claimed that he merely corrected the errors in the subject CCTs by changing the name of the registered owner and placed instead the name of MICO upon the representation of Atty. Francis Serrano (Atty. Serrano), who acted as representative of MICO and petitioner during the registration of the condominium project;[10] and that such act of altering the CCTs is allowed under the law, provided that the entries were not yet completed in the registration book.[11] Respondent added that his acts were done in good faith and in the performance of his functions as the Registrar of Deeds.[12]

In a Joint Decision[13] dated December 20, 2007, the Ombudsman dismissed the complaint for lack of evidence. Ratiocinating that the prohibition on alteration or amendments on the certificate of title under the law is reckoned from the entry thereof in the registration book, the Ombudsman found that the absence of proof that respondent indeed falsified the registration book or that said CCTs were already entered therein when the alterations were made, warranted the dismissal of the complaints. Simply put, the Ombudsman found that the proscription under P.D. No. 1529 is relevant only after the entry

---

[8] *Id.* at 40.

[9] *Id.* at 41.

[10] *Id.* at 154.

[11] *Id.* at 155.

[12] *Id.* at 154.

[13] *Id.* at 151-161.

of the certificates of title in the registration book. Thus, any alteration made prior such point is permitted, which is so in this case.

Furthermore, the Ombudsman opined that the fact that respondent merely made the subject CCTs speak of the truth as to who the true owners are, then there is no alteration but a mere correction. Nonetheless, the Ombudsman proceeded to rule that the issue on ownership should be ventilated in the proper forum. The *fallo* thereof reads:

> ***WHEREFORE***, premises considered, the instant administrative complaints against respondent Policarpio C. Espenesin, Register of Deeds of Pasig City, are hereby ***DISMISSED***, for lack of substantial evidence.
>
> **SO ORDERED.**[14]

Petitioner filed a Motion for Reconsideration which was denied in an undated Joint Order.[15]

Aggrieved, petitioner filed a petition for review before the CA. In sum, petitioner insisted that the alteration in the CCTs made by respondent, which were unauthorized, was made to its damage and prejudice. Such alteration, according to petitioner, deprived it of lawful ownership, rights, interest, and participation over the condominium units covered by the subject CCTs.[16] Petitioner went on to state that P.D. No. 1529 is categorical in prohibiting any alteration or amendment in a certificate of title without any court order.[17]

In a Decision[18] dated January 31, 2013, the CA dismissed the petition. On the basis of respondent's good faith, the CA found that respondent was merely rectifying some errors in the preparation of the subject CCTs. As the ownership of the

---

[14] *Id.* at 161.

[15] *Id.* at 38-42.

[16] CA *rollo*, p. 17.

[17] *Id.* at 18-19.

[18] *Supra* note 2.

subject properties remained undetermined, the Ombudsman correctly dismissed the petition for being premature.

Likewise, the purported violation of P.D. No. 1529 was set aside by the CA. Quoting the ruling of the Ombudsman, the CA maintained that the alteration was done before the entry of the CCTs in the registration book; hence, the same is not considered a violation by a cursory reading of the law.

The dispositive portion thereof reads:

> WHEREFORE, premises considered, the instant petition is hereby **DENIED**. The assailed Joint Decision and Joint Order are **AFFIRMED**.
>
> **SO ORDERED.**[19]

Hence, this petition.

The Issues

Is respondent administratively liable for altering the subject CCTs?

The Court's Ruling

Notably, the Court issued a Decision dated July 31, 2013 in G.R. Nos. 192685 (criminal aspect) and 199115 (administrative aspect) entitled *Ampil v. Office of the Ombudsman*, involving the same set of facts.

Therein, Ampil, an unsecured creditor of one of petitioner's corporations, charged respondent with falsification of public documents under Article 171 (6) of the RPC and violation of Section 3 (a) and (e) of R.A. No. 3019 before the Ombudsman, based on the very same facts and circumstances upon which this case is grounded.

Specifically, after the discovery of the alterations made in the CCTs by respondent, Ampil wrote a letter addressed to MICO's President and Chief Financial Officer, introducing himself as an unsecured creditor of petitioner, demanded for the rectification of the errors. As his demands went unheeded,

---

[19] *Id.* at 47.

Ampil proceeded to file the abovementioned cases before the Ombudsman.

In his complaint, Ampil alleged that respondent, acting in conspiracy with MICO's officers, committed falsification of public documents when he erased the name of petitioner as registered owner in the CCTs and substituted the name of MICO without a court order. In addition, Ampil averred that respondent likewise committed a violation under Section 3 (a) and (e) of R.A. No. 3019 when he allowed himself to be persuaded by Atty. Serrano in altering the CCTs, which ultimately demonstrated manifest partiality, evident bad faith, and/or at the least, gross inexcusable negligence.

However, the complaint was dismissed. Thus, Ampil sought relief from the Court.

In G.R. No. 199115, the dismissal of the administrative complaint by the Ombudsman was challenged by Ampil.

Resolving the merits of the case, the Court, in its Decision dated July 31, 2013, found that respondent's act of altering the CCTs by mere reliance on the representation of Atty. Francis Serrano constitutes utter disregard of established rules on land registration. The Court maintained that as Registrar of Deeds, respondent was bound to inquire and ascertain the reason for Atty. Serrano's instruction; and should not have taken such depiction as gospel truth without requiring the necessary documents as bases for the correction.

The Court likewise clarified that the operative act which determines the malfeasance of the respondent in altering the entries in the CCTs is the act of signing the CCTs without regard as to when the same is entered in the registration book. Thus, once issued, respondent can no longer tamper the entries, more so the name of the titleholder.

Accordingly, the Court found that the elements of offenses under Section 3 (a) and (e) of R.A. No. 3019 juxtaposed against his functions as the Registrar of Deeds establish a *prima facie* graft case against him:

Under Section 3(a) of Republic Act No. 3019, there is a *prima facie* case that Espenesin, at the urging of Serrano, allowed himself to be persuaded to alter the CCTs originally issued in ASB's name, against the procedure provided by law for the issuance of CCTs and registration of property. In addition, under Section 3(e) of the same law, there is likewise *prima facie* case that Espenesin, through gross inexcusable negligence, by simply relying on the fact that all throughout the transaction to register the subject units at The Malayan Tower he liaised with Serrano, gave MICO an unwarranted benefit, advantage or preference in the registration of the subject units. x x x

Corollary, the Court declared the respondent **guilty** of grave misconduct and correspondingly imposed the penalty of dismissal from service. However, due to respondent's severance from service, the forfeiture of his retirement pay and benefits was ordered. Likewise, the Court ordered the Ombudsman to file the necessary Information for violation of Section 3 (a) and (e) of R.A. No. 3019 against respondent after finding probable cause.

Said Decision attained finality as stated in an Entry of Judgment[20] dated April 1, 2014.

Based on the foregoing discussions, it is evident that the crux of the issue in the *Ampil* case is similar to the issue in the case at bar, that is, whether or not respondent is administratively liable for altering the subject CCTs.

A re-litigation, therefore, of the facts and issues would violate the *res judicata* rule, which is rooted on public policy; and the purpose is to avoid multiplicity of suits.[21]

Section 47 (b) and Section 47 (c) of Rule 39 of the Rules of Court embody the doctrine of *res judicata*, that is, bar by prior judgment and conclusiveness of judgment, respectively.

A bar by prior judgment exists when, as between the first case where the judgment was rendered and the second case

---

[20] *Id.* at 229-230.

[21] See *Riviera Golf Club, Inc. v. CCA Holdings, B.V.*, G.R. No. 173783, June 17, 2015.

that is sought to be barred, there is identity of parties, subject matter, and causes of action. On the other hand, there is conclusiveness of judgment when there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein.[22]

What is relevant in this case is the application of the principle of bar by prior judgment. As discussed, the following elements must be present: (1) identity of parties; (2) identity of subject matter; and (3) identity of causes of action.

First. There is identity of parties, which is present when "the parties in both actions are the same or there is privity between them or they are successors-in-interest by title subsequent to the commencement of the action, litigating for the same thing and under the same title and in the same capacity."[23] Notably, absolute identity of parties is not required as shared identity of interest is sufficient.[24]

Here, although the parties seemed to be different in both cases, that is, petitioner in this case is ASB Realty Corporation and the petitioner in G.R. No. 199115 is Ampil, there is substantial identity of interest between them. To recall, Ampil, petitioner's unsecured creditor, would be equally prejudiced by the alteration of CCTs as the condominium units covered was aimed to be contributed to the Asset Pool created under the Rehabilitation Plan of petitioner. In changing the ownership of the subject properties, the assets of petitioner greatly diminished, affecting not only petitioner but also its creditors like Ampil.

It should be emphasized that while it may give a concomitant redress to parties aggrieved by the public official's complaint

---

[22] *Spouses Antonio v. Sayman*, G.R. No. 149624, September 29, 2010, citing *Agustin v. Delos Santos*, G.R. No. 168139, January 20, 2009.

[23] *Diaz, Jr. v. Valenciano, Jr.*, G.R. No. 209376, December 6, 2017.

[24] *Grace Park International Corporation v. Eastwest Banking Corporation*, G.R. No. 210606, July 27, 2016.

act/s, the purpose of an administrative case is not to exact retribution for the benefit of such aggrieved parties. We have held, time and again, that in administrative cases against government personnel, the offense is committed against the government and public interest.[25] Thus, the complained act in this case, as well as in Ampil, was committed against the same parties, *i.e.*, the government and the public.

Second. There is identity of subject matter. Undisputedly, the prior and the present cases deal with the subject CCTs which were altered by respondent.

Third. There is identity of causes of action. In ascertaining the identity of causes of action, the test is to look into whether or not the same evidence fully supports and establishes both the present and the former causes of action.[26] Here, the issues involved in both cases involve the determination of respondent's administrative liability for altering the subject CCTs.

Clearly, all the elements of *res judicata* are present in this case. As such, the reversal of the CA ruling is thus warranted.

While respondent should be found administratively liable in this case, he should no longer be penalized as the Court already sanctioned him for the same infraction in G.R. No. 199115.

WHEREFORE, premises considered, the instant petition is hereby **PARTIALLY GRANTED**. Accordingly, the Decision dated January 31, 2013 and the Resolution dated April 29, 2013 of the Court of Appeals in CA-G.R. SP No. 117183 are **SET ASIDE** on the ground of *res judicata*.

SO ORDERED.

Perlas-Bernabe,[*] *Caguioa (Acting Chairperson), Lazaro-Javier,* and *Lopez, JJ.*, concur.

---

[25] See *Office of the Ombudsman v. Samaniego*, G.R. No. 175573, September 11, 2008, 564 SCRA 567.

[26] *Supra* note 23, citing *Bachrach Corporation v. Court of Appeals*, 357 Phil. 483, 492 (1998).

[*] Designated additional member per Raffle dated July 15, 2020.

FIRST DIVISION

[G.R. No. 220170. August 19, 2020]

BAYVIEW MANAGEMENT CONSULTANTS, INC., CHARLIE LAMB, FRANK GORDON, ROSEMARIE MORADILLA, ROWENA ANDRADE, NOC GLOBAL MARKETING, INC., PHIL-AMER IMMIGRATION SVCS., INC., PRODATANET, INC., DOX INTERNATIONAL SERVICES, INC., and I-JOBS INTERNATIONAL RECRUITMENT AGENCY, INC., *petitioners*, *vs.* **PEDRITA HELOISA B. PRE,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; ONLY QUESTIONS OF LAW MAY BE RAISED; ONE EXCEPTION IS WHEN THE APPELLATE COURT'S FINDINGS ARE CONTRARY TO THOSE OF THE TRIAL COURT.—** The general rule in a petition for review on *certiorari* under Rule 45 of the Rules of Court is that only questions of law shall be raised. In *Republic v. Heirs of Santiago*, the Court enumerated that one of the exceptions to the general rule is when the CA's findings are contrary to those of the trial court. Considering the different findings of fact and conclusions of law of the NLRC and the CA, the Court shall entertain this petition, which involves questions of fact.

2. **LABOR AND SOCIAL LEGISLATION; LABOR RELATIONS; CONSTRUCTIVE DISMISSAL; DISCUSSION IN THE CASE OF *RODRIGUEZ V. PARK N RIDE, INC.*—** In *Rodriguez v. Park N Ride, Inc.*, the Court defined constructive dismissal and discussed its nature. There is constructive dismissal when an employer's act of clear discrimination, insensibility or disdain becomes so unbearable on the part of the employee so as to foreclose any choice on his part except to resign from such employment. It exists where there is involuntary resignation because of the harsh, hostile and unfavorable conditions set by the employer. We have held that the standard for constructive dismissal is "whether a

reasonable person in the employee's position would have felt compelled to give up his employment under the circumstances." The unreasonably harsh conditions that compel resignation on the part of an employee must be way beyond the occasional discomforts brought about by the misunderstandings between the employer and employee. Strong words may sometimes be exchanged as the employer describes her expectations or as the employee narrates the conditions of her work environment and the obstacles she encounters as she accomplishes her assigned tasks. As in every human relationship, there are bound to be disagreements. However, when these strong words from the employer happen without palpable reason or are expressed only for the purpose of degrading the dignity of the employee, then a hostile work environment will be created. In a sense, the doctrine of constructive dismissal has been a consistent vehicle by this Court to assert the dignity of labor.

3. **ID.; ID.; ILLEGAL DISMISSAL; PROPER MONETARY AWARDS.—** Law and jurisprudence laid down the monetary awards that an illegally dismissed employee is entitled to. First, the renumbered Article 294 of the Labor Code, formerly Article 279, states that an illegally dismissed employee is entitled to backwages. Second, separation pay is warranted when the cause for termination is not attributable to the employee's fault, such as those provided in Articles 298 to 299 of the Labor Code, as well as in cases of illegal dismissal where reinstatement is no longer feasible. Here, the CA determined that reinstatement is no longer feasible due to strained relations between Pre and her employer. We find that the CA's award of backwages and separation pay equivalent to one month pay for every year of service as correct. In addition, moral damages are recoverable when the dismissal of an employee is attended by bad faith or fraud or constitutes an act oppressive to labor or is done in a manner contrary to good morals, good customs or public policy. Exemplary damages, on the other hand, are recoverable when the dismissal was done in a wanton, oppressive, or malevolent manner. Here, the demotion, derogatory words, and ill treatment that Pre suffered merits an award of moral and exemplary damages. We sustain the CA's award of ₱100,000.00 as moral damages and ₱100,000.00 as exemplary damages. We likewise sustain the CA's Decision not to award attorney's fees, because Pre failed to state the specific amount in her complaint or position

paper. Pursuant to *Nacar v. Gallery Frames*, the monetary awards are subject to 6% interest per annum from the finality of this Decision until fully paid.

APPEARANCES OF COUNSEL

DB Law Partnership for petitioners.
Soriano and Telebrico Law Offices for respondent.

D E C I S I O N

REYES, J. JR., *J.*:

Acts of disdain and hostile behavior such as demotion, uttering insulting words, asking for resignation, and apathetic conduct towards an employee constitute constructive illegal dismissal.

The Case

This Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assails the April 15, 2014 Decision and the October 28, 2014 Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 129412,[1] which reversed the Decision dated December 10, 2012 of the National Labor Relations Commission (NLRC), affirming the Decision dated July 9, 2012 of the Labor Arbiter (LA) in dismissing respondent Pedrita Heloisa B. Pre's (Pre's) complaint for constructive dismissal with money claims, damages, and attorney's fees.

The Facts

On June 9, 2006, petitioner Charlie Lamb (Lamb), also known as Charlie Lin, hired Pre as legal officer for his companies: Phil-Amer Immigration Services, Inc. (Phil-Amer), Prodatanet, Inc., Dox International Services, Inc. (Dox), Noc Global Marketing, Inc. (Noc), International Job Recruitment Agency, Inc., and Bayview Management Consultants, Inc. (Bayview).

---

[1] Penned by Associate Justice Danton Q. Bueser, with Associate Justices Rebecca De Guia-Salvador and Ramon R. Garcia, concurring; *rollo*, pp. 22-32.

These are known as CLAMB Group of Companies and are some of the petitioners in this case. Pre was then assigned to Phil-Amer. On February 23, 2007, Pre was promoted as corporate affairs manager, and headed the human resources and legal departments of CLAMB, particularly Bayview.[2]

During Pre's employment, petitioner Rosemarie Moradilla (Moradilla), President of Phil-Amer and Bayview, discussed her new and additional assignment as customer service representative (CSR), which was assigned by her immediate superior, petitioner Frank Gordon (Gordon). She was told to answer phone calls and jot notes of her communications with clients.[3] Since the CSR task was far from a managerial job, Pre suggested a different procedure, which elicited a negative reaction from Gordon calling her stupid and incompetent.[4] Gordon said: "*No you don't know anything stupid, stupid, I don't care about what you say, if you do not accept this project by doing the procedure of answering phone calls from clients and jot down your communication with them and fill in the forms provided then resign, we do not need you here, all you have to do is put in writing that you are not accepting this project and that you are incompetent*."[5]

On December 6, 2011, Moradilla verbally advised Pre to resign.[6] Pre informed Moradilla about the sexual harassment case she filed against Gordon and that he might be retaliating. Moradilla set aside Pre's apprehension as she could not do anything about it.[7]

On December 7, 2011, Gordon asked Pre in front of a co-worker if Moradilla solicited her resignation, which she confirmed. He also informed her that in a meeting with Lamb,

---

[2] *Id.* at 23.

[3] *Id.*

[4] *Id.* at 34.

[5] *Supra* note 2.

[6] *Id.*

[7] *Rollo*, p. 24.

Moradilla, and other company officers decided to let her stay and continue with her assignments in the human resources and legal departments, but she would be relieved of her CSR position.[8]

On December 9, 2011, Moradilla again asked Pre to resign and that the company was willing to pay her separation pay.[9] On December 15, 2011, Pre sent Moradilla an email expressing her sentiments and asked for ₱1,000,000.00 as separation pay, damages and attorney's fees in exchange for her resignation.[10] In response, Moradilla told Pre to forget the incident and assured her that she can keep her job. Moradilla explained that even if she remained in the company for 10 years, the company would not spend ₱1,000,000.00 to pay her salary. Subsequently, Gordon and the other heads of the CLAMB Group of Companies treated her indifferently. She received emails implying she was remiss in her duties.[11] She was harassed by imputing matters that she was not responsible for to make it appear that she was incompetent.[12]

On December 28, 2011, Pre filed a complaint for illegal dismissal against the petitioners. Then, she filed a motion to dismiss without prejudice to file a new complaint.[13] Thereafter, on March 29, 2012, she filed a complaint for constructive illegal dismissal.[14]

For their part, the petitioners narrated that Bayview hired Pre as corporate affairs manager in April 2010 after working as legal officer in Phil-Amer. They alleged that she failed to

---

[8] *Id.*

[9] *Id.*

[10] *Id.* at 35.

[11] *Supra* note 7.

[12] *Rollo*, p. 45.

[13] *Id.* at 25.

[14] *Supra* note 10.

meet the standard performance expected of her, but was still given chances to improve her performance.[15]

Sometime in 2011, Noc and Dox requested assistance from Bayview regarding complaints from its customers who have yet to receive refund check payments that Bayview was supposed to have processed. Upon investigation, Bayview found out that a number of checks remained in Noc and Dox's possession without being claimed or transmitted.[16] Gordon instructed Pre to solve the problem and to contact 10 of those customers. Pre did not carry out the instruction and delegated the task to other personnel. As the complaints increased, Noc and Dox decided to create a CSR Project to be manned by Bayview's personnel particularly Pre and another co-worker. Pre prepared the procedure and memo to be disseminated to Noc and Dox employees. Still, she failed to perform her task despite repeated follow ups. Consequently, she was relieved from the CSR Project.[17]

She explained that her health concerns and stress caused her poor performance. Gordon suggested that she resign from her job. Bayview offered to give financial assistance and/or separation pay of one month pay for every year of service, including her four-year tenure with Phil-Amer, should she resign.[18]

Pre sent Moradilla an email accusing Bayview of forcing her to resign and offering bribe money in the form of financial assistance. In response, Bayview informed her that it was withholding its previous offer of financial assistance and advised her to stay in her job, which she did. However, it became increasingly difficult to supervise her. She accused Bayview of oppressing her and forcing her to resign when they called her attention about her excessive absences.[19]

---

[15] *Rollo*, pp. 35-36.

[16] *Id.* at 36.

[17] *Id.* at 36-37.

[18] *Id.* at 25-26.

[19] *Id.* at 26.

The LA's Decision

On July 9, 2012, the LA rendered a Decision[20] dismissing the complaint for lack of merit. The LA held that Pre failed to substantiate her complaint with evidence. Further, the matters allegedly imputed against her directly relate to her duties and responsibilities as corporate affairs manager. The LA resolved that there was no constructive dismissal and she was not entitled to separation pay, moral and exemplary damages, and attorney's fees.[21]

The NLRC's Decision

Pre appealed to the NLRC, which, in its Decision[22] dated December 10, 2012, affirmed the LA's Decision. The NLRC explained that constructive dismissal exists when the employee involuntarily resigns due to harsh, hostile and unfavorable conditions set by the employer. It arises when there is clear discrimination, insensibility or disdain by an employer, and this becomes unbearable to the employee. The test of constructive dismissal is whether a reasonable person in the employee's position would have felt compelled to give up his job under the circumstances.[23]

The NLRC resolved that there is nothing on record which corroborates constructive dismissal. Pre did not suffer a diminution of pay or benefits, as she was earning high salary as a managerial employee. She did not suffer any demotion in rank or status. Her new assignment as customer service representative was in addition to her role as manager and was brought about by the exigencies of the service, that is, the escalating complaints of customers. Further, it was management's prerogative to give her a new assignment. Her employers neither discriminated nor treated her with disdain. She held a high-

[20] *Id.* at 42-51.

[21] *Id.* at 49-50.

[22] *Id.* at 33-41.

[23] *Id.* at 38.

ranking managerial position, was assigned important tasks, and was not given functions that are beyond her skills, credentials, and competence. At no time did she complain that the tasks assigned to her were beyond her skill or capability. All these belie her claim of constructive illegal dismissal.[24]

On the other hand, the records show that the alleged constructive dismissal stemmed on November 29, 2011 when Pre was instructed to oversee the problem of stale checks and to directly contact the complaining clients. However, she did not make her timely report. Then, the company assigned her and a colleague to manage the CSR Project, where she again failed to perform. Consequently, she was relieved from the CSR Project.[25]

The NLRC determined that there is no constructive dismissal and affirmed the LA's findings on lack of evidence to substantiate the complaint. Thus, the dismissal of the complaint was affirmed.[26] Pre moved for reconsideration, which the NLRC dismissed.[27]

The CA's Decision

Unsuccessful, Pre elevated the case to the CA through a petition for *certiorari* under Rule 65 of the Rules of Court. On April 15, 2014, the CA rendered a Decision reversing the NLRC Decision. The CA explained that constructive dismissal occurs when there is cessation of work because continued employment is rendered impossible, unreasonable or unlikely; when there is a demotion in rank or diminution in pay or both; or when a clear discrimination, insensibility, or disdain by an employer becomes unbearable to the employee. The test of constructive dismissal is whether a reasonable person in the employee's position would have felt compelled to give up his position under

[24] *Id.* at 38-39.

[25] *Id.* at 39.

[26] *Id.* at 40.

[27] *Id.* at 27.

the circumstances. It is an act amounting to dismissal, but is made to appear as if it were not. Constructive dismissal is therefore a dismissal in disguise. The law recognizes and resolves this situation in favor of employees in order to protect their rights and interests from the coercive acts of the employer.[28]

Here, Pre was designated as customer service representative to answer phone calls and jot down communications from clients despite being a corporate affairs manager. The CA resolved that this is a form of demotion. Moreover, she was verbally abused by her immediate supervisor, Gordon, calling her stupid and incompetent. When she refused to resign, she was treated with apathy. She was bombarded with emails implying that she was negligent in her duties. All these were apparently done against Pre in order to bully her and force her to resign.[29]

The CA elucidated that the company has the burden to prove that the employee's assignment from one position to another was not tantamount to constructive dismissal. Bayview and its co-petitioners failed to discharge this burden, and never disputed that Pre was relegated from the position of corporate affairs manager to customer service representative. The reduction of duties and responsibilities from manager to ordinary desk representative constituted a demotion in rank which is tantamount to constructive dismissal.[30]

Furthermore, Pre's superior repeatedly verbally abused her and subjected her to continuous humiliation. She was discriminated against when she refused to resign. She received emails blaming her for ineptness. All these amounted to discrimination, insensibility, or disdain, which has become unbearable to Pre and forced her to resign.[31]

The CA ordered Bayview and its co-petitioners to pay Pre backwages and separation pay equivalent to one month pay

---

[28] *Id.* at 27-28.

[29] *Id.* at 28.

[30] *Id.*

[31] *Id.* at 28-29.

for every year of service. The CA determined that reinstatement is no longer feasible due to strained relations between Pre and her employer.[32] Pre was also awarded ₱100,000.00 as moral damages and ₱100,000.00 as exemplary damages. However, it denied the claim for attorney's fees because she failed to state the specific amount in her complaint or position paper.[33] Bayview and its co-petitioners moved for reconsideration, which the CA denied in its October 28, 2014 Resolution.[34]

Aggrieved, the petitioners filed a petition for review on *certiorari* under Rule 45 of the Rules of Court.

The Issue Presented

Whether or not Pre was constructively dismissed from employment.

The Court's Ruling

The Petition is without merit.

The general rule in a petition for review on *certiorari* under Rule 45 of the Rules of Court is that only questions of law shall be raised. In *Republic v. Heirs of Santiago*,[35] the Court enumerated that one of the exceptions to the general rule is when the CA's findings are contrary to those of the trial court. Considering the different findings of fact and conclusions of law of the NLRC and the CA, the Court shall entertain this petition, which involves questions of fact.

In its Memorandum, the petitioners denied Pre's allegations and averred that this case simply involved an exercise of management prerogative to assign and supervise an employee's work. On the other hand, Pre asserted in her Memorandum that she was forced to resign and that she was subjected to a humiliating and degrading work setting.

---

[32] *Id.* at 29.

[33] *Id.* at 31.

[34] *Id.* at 75.

[35] 808 Phil. 1 (2017).

In *Rodriguez v. Park N Ride, Inc.*,[36] the Court defined constructive dismissal and discussed its nature.

> There is constructive dismissal when an employer's act of clear discrimination, insensibility or disdain becomes so unbearable on the part of the employee so as to foreclose any choice on his part except to resign from such employment. It exists where there is involuntary resignation because of the harsh, hostile and unfavorable conditions set by the employer. We have held that the standard for constructive dismissal is "whether a reasonable person in the employee's position would have felt compelled to give up his employment under the circumstances."
>
> The unreasonably harsh conditions that compel resignation on the part of an employee must be way beyond the occasional discomforts brought about by the misunderstandings between the employer and employee. Strong words may sometimes be exchanged as the employer describes her expectations or as the employee narrates the conditions of her work environment and the obstacles she encounters as she accomplishes her assigned tasks. As in every human relationship, there are bound to be disagreements.
>
> However, when these strong words from the employer happen without palpable reason or are expressed only for the purpose of degrading the dignity of the employee, then a hostile work environment will be created. In a sense, the doctrine of constructive dismissal has been a consistent vehicle by this Court to assert the dignity of labor.

Here, the Court found several instances of acts of disdain and hostile actions committed against Pre, which degraded her dignity as a person and eventually led her to file a case for constructive illegal dismissal.

First, she was assigned to work as customer service representative by answering phone calls and writing notes of communications, a function fit for a rank-and-file employee, while she already held the position of corporate affairs manager as head of human resources and legal departments. The Court agrees with the CA's conclusion that Pre's new assignment is a form of demotion, because she was instructed to perform functions that were below her position. But this is not just a

---

[36] 807 Phil. 747, 757 (2017).

demotion. It is also an act of disdain and disrespect as she was treated as if she was unworthy of her managerial position. This is a ground for constructive illegal dismissal.

Second, Pre knew that the CSR work was way below her position and so she assigned another person to do the job, which did not sit well with petitioners. She also suggested a different procedure, but her boss, Gordon, reacted negatively and told her she was stupid and incompetent — "*No you don't know anything stupid, stupid, I don't care about what you say, if you do not accept this project by doing the procedure of answering phone calls from clients and jot down your communication with them and fill in the forms provided then resign, we do not need you here, all you have to do is put in writing that you are not accepting this project and that you are incompetent*." These words are plainly demeaning, degrading, and disrespectful to the dignity of Pre. It clearly worsened the already hostile working environment which eventually pushed her to file a complaint for constructive illegal dismissal.

Third, she was asked to resign on more than one occasion and then later taken back as she was told to stay in the company. The company readily offered her financial assistance or separation pay, which included her four years of work at Phil-Amer. It shows that petitioners were eager to remove her from their employ.

Fourth, after the petitioners took back their resignation offer and Pre was assured that she could keep her job, Pre was treated indifferently by the management. This was the straw which led to the filing of the complaint for constructive illegal dismissal.

All the above incidents involved acts of disdain which created an atmosphere of antagonism and animosity between Pre and the company officials. The petitioners made continued and concerted efforts that made Pre's tenure unbearable. She was first asked to do menial tasks which are way below her status as a manager. When this failed, she was on more than one occasion asked to resign from employment. Worse, she was humiliated when her boss Gordon called her stupid and incompetent for no valid reason. Despite assurance of tenure, the management treated her indifferently. Pre's overall

experience is mentally, emotionally and psychologically burdensome and made her tenure unbearable, which prompted her to involuntarily give up her employment.

Indeed, the petitioners tried to justify their case by arguing that Pre failed to meet the standard performance expected of her. Yet, they assigned her to do CSR work, and later, was instructed to lead the CSR Project. This is an odd move considering her alleged poor performance. If it was true, common sense would dictate that an unresolved and growing problem on customers' complaints should be headed by a competent and efficient employee. Thus, it is difficult to believe the petitioners' claim of Pre's poor performance in the absence of proof, such as performance evaluation.

What is more, the petitioners also allege that their offer of separation pay as financial assistance was made when they thought that Pre wanted to resign for health reasons. Assuming this was true, why were the petitioners over eager to make an offer so that Pre would resign? They could have asked her to take a medical leave or have her treated and diagnosed by a government physician. Evidently, the petitioners really did not want to retain Pre under their employ.

Law and jurisprudence laid down the monetary awards that an illegally dismissed employee is entitled to. First, the renumbered Article 294[37] of the Labor Code, formerly Article 279, states that an illegally dismissed employee is entitled to backwages. Second, separation pay is warranted when the cause for termination is not attributable to the employee's fault, such as those provided in Articles 298 to 299 of the Labor Code, as well as in cases of illegal dismissal where reinstatement is no

---

[37] Art. 294. [279] *Security of Tenure*. — In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

longer feasible.[38] Here, the CA determined that reinstatement is no longer feasible due to strained relations between Pre and her employer. We find that the CA's award of backwages and separation pay equivalent to one month pay for every year of service as correct.

In addition, moral damages are recoverable when the dismissal of an employee is attended by bad faith or fraud or constitutes an act oppressive to labor or is done in a manner contrary to good morals, good customs or public policy. Exemplary damages, on the other hand, are recoverable when the dismissal was done in a wanton, oppressive, or malevolent manner.[39] Here, the demotion, derogatory words, and ill treatment that Pre suffered merits an award of moral and exemplary damages. We sustain the CA's award of ₱100,000.00 as moral damages and ₱100,000.00 as exemplary damages. We likewise sustain the CA's Decision not to award attorney's fees, because Pre failed to state the specific amount in her complaint or position paper. Pursuant to *Nacar v. Gallery Frames*,[40] the monetary awards are subject to 6% interest per annum from the finality of this Decision until fully paid.

WHEREFORE, the Petition is **DENIED**. The Court of Appeals Decision dated April 15, 2014 and the Resolution dated October 28, 2014 in CA-G.R. SP No. 129412 are **AFFIRMED** with **MODIFICATION**. The monetary awards are subject to 6% interest per annum from the finality of this Decision until fully paid. The Labor Arbiter is **ORDERED** to make a recomputation of the total monetary benefits awarded in accordance with this Decision.

SO ORDERED.

Peralta, C.J. (Chairperson), Caguioa, Lazaro-Javier, and *Lopez, JJ.*, concur.

---

[38] *Symex Security Services, Inc. v. Rivera, Jr.*, G.R. No. 202613, November 8, 2017, 844 SCRA 416, 436.

[39] *Id.*

[40] *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

FIRST DIVISION

[G.R. No. 227841. August 19, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* **JOSEPH MANLOLO *y* GANTE,** *accused-appellant.*

SYLLABUS

1. **CRIMINAL LAW; QUALIFIED RAPE; ELEMENTS.—** "The elements of qualified rape are: (1) sexual congress; (2) with a woman; (3) done by force and without consent; (4) the victim is under 18 years of age at the time of the rape; (5) the offender is a parent, ascendant, step-parent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim." x x x Since AAA is a 6-year old minor, proof of force, intimidation or consent is unnecessary. For the absence of free consent is conclusively presumed when the victim is below the age of 12. Further, when the offender is the victim's father, as in this case, there need not be actual force, threat or intimidation because when a father commits the odious crime of rape against his own daughter, who was also a minor at the time of the commission of the offense, his moral ascendancy or influence over the latter substitutes for violence and intimidation.

2. **REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; THE TESTIMONIES OF CHILD VICTIMS ARE GIVEN FULL WEIGHT AND CREDIT FOR WHEN A WOMAN OR A GIRL-CHILD SAYS THAT SHE HAS BEEN RAPED, SHE SAYS IN EFFECT ALL THAT IS NECESSARY TO SHOW THAT RAPE WAS INDEED COMMITTED.—** "Based on jurisprudence, the testimonies of child victims are given full weight and credit, for when a woman or a girl-child says that she has been raped, she says in effect all that is necessary to show that Rape was indeed committed." Moreover, no woman, least of all a child, would concoct a story of defloration, allow examination of her private parts and subject herself to public trial or ridicule if she has not, in truth, been a victim of rape and impelled to seek justice for the wrong done to her being. "When the offended party is of tender age and immature, courts are inclined to give credit

to her account of what transpired, considering not only her relative vulnerability but also the shame to which she would be exposed if the matter to which she testified is not true."

3. **ID.; ID.; DENIAL AND ALIBI; FOR THE DEFENSE OF ALIBI TO PROSPER, THE ACCUSED MUST PROVE THAT HE WAS AT SOME OTHER PLACE AT THE TIME OF THE COMMISSION OF THE CRIME AND IT WAS PHYSICALLY IMPOSSIBLE FOR HIM TO BE AT THE *LOCUS DELICTI* OR WITHIN THE IMMEDIATE VICINITY.—** Denial is inherently a weak defense which cannot outweigh positive testimony. A categorical statement that has the earmarks of truth prevails over a bare denial which can easily be fabricated and is inherently unreliable. For the defense of alibi to prosper, the accused must prove that he was at some other place at the time of the commission of the crime and it was physically impossible for him to be at the *locus delicti* or within its immediate vicinity. These requirements of time and place must be strictly met.

4. **ID.; ID.; ID.; DISINTERESTED WITNESSES MUST CORROBORATE THE DEFENSE OF ALIBI.—** In addition, disinterested witnesses must corroborate the defense of alibi, otherwise, it is fatal to the accused. Relatives can hardly be categorized as disinterested witnesses. The defense of alibi may not prosper if it is established mainly by the appellant himself and his relatives, and not by credible persons.

APPEARANCES OF COUNSEL

The Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

D E C I S I O N

REYES, J. JR., *J*.:

Before us is an appeal assailing the Decision[1] dated May 17, 2016 of the Court of Appeals (CA) in CA-G.R. CR-HC

[1] Penned by Associate Justice Marie Christine Azcarraga-Jacob, with Associate Justices Ricardo R. Rosario and Edwin D. Sorongon, concurring; *rollo*, pp. 2-17.

No. 07134, which affirmed *in toto* the Decision[2] dated July 21, 2014 of the Regional Trial Court (RTC) Branch 81, Romblon, Romblon, convicting appellant Joseph Manlolo *y* Gante (Manlolo) of the crime of rape in Criminal Case No. 2975.

Factual Antecedents

Manlolo was charged with the crime of rape, as penalized under Article 266-A, paragraph (par.) l(d) of the Revised Penal Code (RPC), as amended by Republic Act (R.A.) No. 8353, in relation to the provisions of R.A. No. 7610, as follows:

Crim. Case No. 2975

That on or about the 10th day of August 2011, at around 5:30 o'clock in the afternoon at Barangay Camantaya, Municipality of San Agustin, Province of Romblon, Philippines, and within the jurisdiction of this Honorable Court, the said accused, through force, threat and intimidation and by taking advantage of the minority and lack of education of AAA,[3] did then and there willfully, unlawfully and feloniously had carnal knowledge of AAA, who is 6 years old minor, without her consent and against her will and that the commission of this crime of rape demeans, debases and degrades the intrinsic worth and dignity of said AAA as human being.

With additional aggravating/qualifying circumstance that the above-named accused is the father of the said victim, AAA, is attendant to this crime of rape.[4]

Version of the Prosecution

The following are the facts of the case as summarized by the CA.[5]

---

[2] CA *rollo*, pp. 46-51.

[3] The real name of the victim, her personal circumstances and other information which tend to establish or compromise her identity, as well as those of her immediate family or household members shall not be disclosed to protect her privacy and fictitious initials shall instead be used in accordance with *People v. Cabalquinto,* 533 Phil. 703 (2006) and A.M. No. 04-11-09 SC dated September 19, 2006.

[4] CA *rollo*, p. 53.

[5] *Rollo*, pp. 3-5.

The prosecution's evidence came chiefly from the testimonies of private complainant AAA, her mother, BBB, and Dr. Deogracias Muleta (Dr. Muleta).

AAA, in her direct examination, testified that Manlolo ravished her several times when she was six years old. She recalled that Manlolo would first insert his finger into her vagina, followed by insertion of his sex organ into hers, causing her to feel so much pain. She also recounted that the rape incidents happened in their own house, always during night time, and every time her mother BBB was away "looking for food." She further contended that after every sexual assault, Manlolo warned her not to disclose the incident to her mother BBB. With regard to the rape incident in question, although AAA cannot recall the exact year and month, she was certain that it happened on a Wednesday. During cross-examination, she admitted having been coached by her mother BBB, but insisted that she was not telling a lie or making false stories.

BBB, AAA's mother and wife of Manlolo, meanwhile, testified that upon arriving at their house on August 10, 2011, she noticed AAA silently sulking in the corner in a moody condition. When asked about her grumpiness, AAA answered by moving her head from left to right. When BBB asked AAA the second time, the latter retorted that her vagina was "*tusok* by her papa." Even though shocked by AAA's answer, BBB still managed to control herself and thought of an alibi of going to town to join a singing competition. Three days later, on August 13, 2011, BBB, together with Manlolo and AAA and the other children, went to the house of her mother, to whom she, unbeknownst to Manlolo, discreetly confided what had befallen AAA. After having been advised by her mother, BBB went with AAA to the police station to blotter the rape incident. From the police station, BBB, AAA and a Social Worker Officer, went to the Municipal Health Office for the medical examination of AAA.

Dr. Muleta, the Municipal Health Officer who conducted medical examination on AAA, testified as to the existence of lacerations in AAA's hymen at 12:00 o'clock and 6:00 o'clock

positions. She also declared that the ano-genital examination of AAA revealed that "there was clear evidence of blunt force or penetrating trauma like that of a male organ."

Version of the Defense

Manlolo denied sexually assaulting AAA. Narrating a different story which was corroborated by his sister, Joan [Manlolo], Manlolo, averred that on August 10, 2011, he was in the house of his mother-in-law collecting payment of debts starting from around 8:00 o'clock in the morning until 1:00 o'clock in the afternoon. From there, he went to AAA's school to fetch her. At 3:30 in the afternoon, Manlolo, by himself and without AAA, proceeded towards home, where, upon arriving thereat, he saw BBB and his three other children. Later, at around 5:00 o'clock in the afternoon, Manlolo and his mother had a talk while BBB left the house to buy their "needs." At about 6:00 o'clock in the afternoon, Manlolo went out of the house to gather *tuba*, leaving the children with his sister, Joan. When he came back, BBB was already at the house with their children, including AAA.

Manlolo also claimed that on August 13, 2011, at 8:00 o'clock in the morning, he went to the house of his mother-in-law, along with BBB and their children. About 4:30 in the afternoon, BBB, accompanied by AAA, left for town to join a singing competition. When BBB and AAA did not return that night, Manlolo went around town to look for them. Failing in his search, Manlolo decided to go home when he met two policemen who invited him to the police station. At the police station, Manlolo was investigated and was later detained for the charge of raping his daughter AAA.

The Ruling of the Trial Court

The RTC rendered its Decision dated July 21, 2014, finding Manlolo guilty beyond reasonable doubt of the crime of rape, the dispositive portion reads:

> **WHEREFORE,** in view of the foregoing, this [c]ourt hereby finds accused **JOSEPH GANTE MANLOLO, GUILTY** beyond reasonable

doubt of the crime of **RAPE in relation to R.A. 7610** and is sentence[d] to suffer the penalty of **RECLUSION PERPETUA.** He is also ordered to pay [AAA] the amount of ₱75,000.00 as civil indemnity, ₱75,000.00 as moral damages, and ₱25,000.00 as exemplary damages plus costs.

x x x x x x x x x

SO ORDERED.[6]

Dissatisfied, Manlolo interposed an appeal alleging that the RTC erred: (i) in disregarding the version of the defense; and (ii) in giving weight and credence to the prosecution witnesses' improbable testimonies.

As summarized by the CA, the *crux* of Manlolo's defense was that the testimonies of private complainant AAA and her witnesses were so incredible in that they cannot in any way justify a conviction. Manlolo specifically assailed the testimony of private complainant AAA that she was raped at around 5:30 to 6:00 p.m. of that fateful day of [August 10, 2011]. He pointed out that he could not have raped AAA on the said date and time as his sister, Joan Manlolo, was inside their house watching over his three other children. Manlolo also claimed that AAA's testimony contained serious inconsistencies and contradictions as to how she was coached and rehearsed before she testified in court. Manlolo likewise argued that AAA even failed to give a detailed account on how she was sexually abused as she merely stated that he, allegedly, inserted his penis and finger inside her vagina. Manlolo further contended that AAA's declaration that she was raped was belied by the testimony of Dr. Muleta that no spermatozoa was found in the slides taken from AAA, which slides were brought to the hospital for examination. Lastly, Manlolo asserted that his wife BBB just used their daughter AAA to indict him of a crime of rape, which he did not commit, because she (BBB) has been harboring ill-feelings against him for their frequent quarrels and misunderstandings.

The CA in its Decision dated May 17, 2016, denied the appeal and affirmed *in toto* the decision of the RTC, to wit:

---

[6] CA *rollo*, p. 51.

WHEREFORE, all premises considered, the instant appeal is hereby **DENIED.**

Accordingly, the *Decision dated [July 21, 2014]* of the Regional Trial Court, Branch 81, Romblon, Romblon, in Criminal Case No. 2975, finding accused-appellant Joseph Manlolo *y* Gante guilty beyond reasonable doubt of the crime of rape is hereby **AFFIRMED *in toto.***

SO ORDERED.[7]

Dissatisfied, Manlolo then appealed to this Court. Both parties adopted their respective Briefs filed with the CA as their Supplemental Briefs.[8]

The Court's Ruling

We find the appeal unmeritorious.

The crime of rape is defined and penalized under Article 266-A of the RPC, *viz.*:

ART. 266-A. Rape: *When and How Committed.* — Rape is committed:

1) By a man who shall have carnal knowledge of a woman under any of the following circumstances:

   a) Through force, threat, or intimidation;

   b) When the offended party is deprived of reason or otherwise unconscious;

   c) By means of fraudulent machination or grave abuse of authority; and

   d) When the offended party is under twelve (12) years of age or is demented, even though none of the circumstances mentioned above be present.

x x x x x x x x x

For purposes of imposing the death penalty in cases of qualified rape, Article 266-B of the RPC provides:

---

[7] *Rollo*, p. 16.

[8] *Id.* at 26, 30.

ART. 266-B. *Penalty.* — x x x

x x x x x x x x x

The death penalty shall also be imposed if the crime of rape is committed with any of the following aggravating/qualifying circumstances:

1) When the victim is under eighteen (18) years of age and the offender is a parent, ascendant, step-parent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim.

x x x x x x x x x

"The elements of qualified rape are: (1) sexual congress; (2) with a woman; (3) done by force and without consent; (4) the victim is under 18 years of age at the time of the rape; (5) the offender is a parent, ascendant, step-parent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim.[9]

We find that all the elements of qualified rape are present and sufficiently proved by the prosecution.

In this case, the age of AAA and her relationship to Manlolo have been properly alleged in the Information, established by evidence and undisputed. Since AAA is a 6-year old minor, proof of force, intimidation or consent is unnecessary. For the absence of free consent is conclusively presumed when the victim is below the age of 12.[10] Further, when the offender is the victim's father, as in this case, there need not be actual force, threat or intimidation because when a father commits the odious crime of rape against his own daughter, who was also a minor at the time of the commission of the offense, his moral ascendancy or influence over the latter substitutes for violence and intimidation.[11]

---

[9] *People v. ZZZ,* G.R. No. 224584, September 4, 2019.

[10] *People v. XXX,* G.R. No. 229836, July 17, 2019.

[11] *People v. CCC,* G.R. No. 231925, November 19, 2018.

The RTC and the CA gave weight to the testimony of private complainant AAA. The CA noted that it was candid, clear, and sincere that no one could justifiably doubt that it sprang from an honest mind and flowed out of innocent lips, thus:

PROSECTOR BUFFE:

Q. Miss Witness, please tell us the reason why you are testifying before us today?
A. Yes, ma'am.

Q. Please tell us.
A. In order to send, imprison my father to jail.

Q. Why would you like your father to be sent to jail or imprisoned?
A. Because he is raping *[sic]* me and he is *[sic]* hurting me.

Q. Do you know the name of your *papa* or father?
A. Yes, ma'am.

Q. Tell us the name of your *papa.*
A. Joseph Gante Manlolo.

Q. Is your *papa* inside the courtroom?
A. Yes, sir.

Q. Can you point [him] to us?
A. Yes, ma'am.

Q. How did your *papa* rape you or how did your *papa* do in raping you?
A. He pointed...

x x x x x x x x x

A. He *"tuslok ang akon puki."*

Q. How did your *papa "tuslok ang imo puki"*? What did your *papa* use in *"pagtuslok sa imo puki"*?
A. His hand.

Q. What else did he use[?] [Y]ou mentioned that he [first] used his first *[sic]* hand in *"pagtuslok*" your vagina[.] [U]sing your hands[,] what particular fingers of your hands did your *papa* use?
A. This one (witness is pointing to her forefinger).

Q. What else did your *papa* use *"sa pagtuslok ng imo kiki"?*
A. His penis.

Q. What did you feel or how did you feel when he inserted or pointed his finger and his penis to your vagina.

COURT:

Finger first.

A. My vagina was very painful.

PROSECUTOR BUFFE:

Q. How about when the penis was pointed or was put in your vagina[,] how did you feel?
A. My vagina is [*sic*] very painful.

Q. Was there blood in your "*pipi*"?
A. Yes, ma'am.

Q. Can you still remember when your father did that to you?
A. Yes, ma'am.

Q. Tell us when was it?
A. That was Wednesday, ma'am.

Q. How about the year?
A. No, ma'am.

Q. How about the time?
A. Night time.

Q. Where was *mama* that time?
A. She was looking for food for us.

Q. What did your *papa* do after he poked, inserted or pointed his finger to your vagina?
A. I did not do anything after that but he warned me that I should not tell because if I will report this matter he will whip me.

Q. What did you do? Did you answer him?
A. No, ma'am.

Q. How about when he pointed or inserted his penis to outraging? Did you do anything?
A. I cried.

Q. After he inserted his penis in your vagina[,] what else did he do?
A. No more[,] ma'am.

Q. Did he say something to you after he inserted or pointed his penis to your vagina?
A. Yes, ma'am.

Q. What did he say?
A. That I should not tell.

Q. Can you still remember how many times did your *papa* rape you?
A. Yes, sir.

Q. How many times?
A. Many times.

Q. Always night time[,] Baby?
A. Yes, ma'am.

Q. Did you finally report or tell your *mama*?
A. Yes, ma'am.

Q. Why did you finally report or tell your *mama* about it?
A. So that he will be imprisoned.

Q Do you have brothers and sisters[,] Baby?
A. There is, ma'am.

Q. Do you miss your father?
A. No, ma'am.

Q. Where did your father rape you[?] [I]n your house?
A. Yes, ma'am.

Q. Every time your *papa* did that to you every time *[sic]* your *mama* is not around?
A. Yes, ma'am.[12]

Based on the foregoing, there is no doubt that the crime of qualified rape was indeed committed. After careful review of the records, we found no irregularities which would warrant the reversal of the findings of the trial court, which was affirmed

---

[12] *Rollo*, pp. 7-10.

by the CA. We have no reason to doubt the veracity of the testimony of AAA, which was also corroborated by the testimonies of her mother, BBB, and Dr. Muleta.

It is already well-settled in our jurisdiction that factual findings and conclusions of the trial courts are entitled to great weight, especially when affirmed by the CA. As discussed in the case of *People v. Navasero, Sr.*:[13]

> In rape cases, the credibility of the victim is almost always the single most important issue. If the testimony of the victim passes the test of credibility, which means it is credible, natural, convincing and consistent with human nature and the normal course of things, the accused may be convicted solely on that basis. The rule is settled that when the decision hinges on the credibility of witnesses and their respective testimonies, the trial court's observations and conclusions deserve great respect and are accorded finality, unless the records show facts or circumstances of material weight and substance that the lower court overlooked, misunderstood or misappreciated, and which, if properly considered, would alter the result of the case. This is so because trial courts are in the best position to ascertain and measure the sincerity and spontaneity of witnesses through their actual observation of the witnesses' manner of testifying, their demeanor and their behavior in court. Trial judges, therefore, can better determine if such witnesses are telling the truth, being in the ideal position to weigh conflicting testimonies. The rule finds an even more stringent application where the said findings are sustained by the CA.[14]

"Based on jurisprudence, the testimonies of child victims are given full weight and credit, for when a woman or a girl-child says that she has been raped, she says in effect all that is necessary to show that Rape was indeed committed."[15]

Moreover, no woman, least of all a child, would concoct a story of defloration, allow examination of her private parts and subject herself to public trial or ridicule if she has not, in truth, been a victim of rape and impelled to seek justice for the

---

[13] G.R. No. 234240, February 6, 2019.

[14] *People v. Navasero, Sr., id.*

[15] *People v. ABC,* G.R. No. 244835, December 11, 2019 (citations omitted).

wrong done to her being. "When the offended party is of tender age and immature, courts are inclined to give credit to her account of what transpired, considering not only her relative vulnerability but also the shame to which she would be exposed if the matter to which she testified is not true."[16]

In the case of *People v. ZZZ,*[17] the Court ruled:

> When the offended party is of tender age and immature, courts are inclined to give credit to her account of what transpired, considering not only her relative vulnerability but also the shame to which she would be exposed if the matter to which she testified is not true. Youth and immaturity are generally badges of truth and sincerity. Errorless recollection of a harrowing incident cannot be expected of a witness, especially when she is recounting details of an experience so humiliating and so painful as rape. What is important is that the victim's declarations are consistent on basic matters constituting the elements of rape and her positive identification of the person who did it to her.
>
> x x x   x x x   x x x
>
> Where there is no evidence and nothing to indicate that the principal witness for the prosecution was actuated by improper motive, the presumption is that she was not so actuated and her testimony is entitled to full faith and credit. Further, a daughter would not accuse her own father of a serious offense like rape, had she really not been aggrieved. Her testimony against him is entitled to greater weight, since reverence and respect for elders is too deeply ingrained in Filipino children and is even recognized by law.[18]

No child would charge the father she naturally revered and respected with such heinous crime as rape had it not been true.[19]

Also, in *People v. Bernabe,*[20] we ruled:

---

[16] *Id.*

[17] *Supra* note 8.

[18] *People v. ZZZ, id.* (citations omitted).

[19] *People v. XXX,* G.R. No. 222492, June 3, 2019.

[20] 421 Phil. 805 (2001).

Indeed, no young girl would concoct a sordid tale of so serious a crime as sexual molestation at the hands of her own father, undergo gynecological examination, subject herself to the stigma and embarrassment of a public trial, if her motive were other than a fervent desire to seek justice.[21]

Manlolo points out that he could not have raped AAA as his sister Joan Manlolo was inside their house watching over his three other children. The Court is not convinced. Jurisprudence instructs us that lust is no respecter of time or place; rape defies constraint of time and space. Rapists are not deterred from committing the odious act of sexual abuse by mere inconvenience or awkwardness of the situation or even by the presence of people or family members nearby. Rape is committed not exclusively in seclusion.[22]

The Court affirms the CA in not giving credence to Manlolo's defense of denial, to wit:

By and large, [w]e hold that the trial court correctly rejected the defense of denial proffered by appellant which is not only inherently weak and feeble, but which became more dubious when it was sought to be established by appellant himself with the aid of his sister, and not by disinterested, unbiased person who would, in the natural order of things, be best situated to support the denial.[23]

Denial is inherently a weak defense which cannot outweigh positive testimony. A categorical statement that has the earmarks of truth prevails over a bare denial which can easily be fabricated and is inherently unreliable. For the defense of alibi to prosper, the accused must prove that he was at some other place at the time of the commission of the crime and it was physically impossible for him to be at the *locus delicti* or within its immediate vicinity. These requirements of time and place must be strictly met.[24]

---

[21] *Id.* at 811.

[22] *People v. XXX,* G.R. No. 225793, August 14, 2019.

[23] *Rollo*, p. 12.

[24] *People v. Moreno,* G.R. No. 191759, March 2, 2020 (citations omitted).

In addition, disinterested witnesses must corroborate the defense of alibi, otherwise, it is fatal to the accused. Relatives can hardly be categorized as disinterested witnesses. The defense of alibi may not prosper if it is established mainly by the appellant himself and his relatives, and not by credible persons.[25]

This Court has consistently assigned less probative weight to a defense of alibi when it is corroborated by relatives. For corroboration to be credible, the same must be offered preferably by disinterested witnesses. Testimonies of relatives are rendered suspect because of their relationship to the appellant which makes it likely that they would freely perjure themselves for the latter's sake.[26]

In this case, Manlolo's denial pales in comparison to AAA's positive testimony. Manlolo also miserably failed to prove that it was physically impossible for him to be at the scene of the crime. Moreover, Manlolo's testimony was merely corroborated by his sister, Joan Manlolo, who cannot be considered as a disinterested witness and her testimony cannot be accorded with credibility.

Manlolo also argues that AAA failed to give a detailed account of how she was abused and that AAA merely stated that he inserted his finger and penis inside AAA's vagina, no more, no less. Manlolo also maintains that AAA's testimony contains serious inconsistencies as to lead one to believe that she was coached and rehearsed before she testified and that AAA even admitted as to being coached by her mother.

The Court is not persuaded. Failure to give a detailed account on how AAA was abused does not militate against her credibility. Further, a detailed narration is not needed in order to sustain a conviction for rape. What is required is proof that all the elements of rape are present, which the prosecution has satisfactorily proven. As previously discussed, the credibility of witnesses are best left to the province of the trial courts and

[25] *People v. Maceda,* 405 Phil. 698, 711 (2001).

[26] *People v. Moreno, supra* note 23 (citations omitted).

this Court is bound by such determination, absent a clear showing of arbitrariness and capriciousness.

Regarding Manlolo's claim that AAA was merely coached and her testimony rehearsed, we also find the same deserves scant consideration. While AAA admitted that her mother BBB indeed coached her, the Court is convinced that such admission only bolters her credibility and this speaks volumes on AAA's innocence as a child of tender age and her natural propensity to tell the truth. As pointed out by the CA, AAA knew all along what was right from wrong and she even insisted that her imputations against her father, Manlolo, are not false or lies, thus:

Q. Do you know what is wrong?
A. Yes, sir.

Q. If you are lying, is that right or wrong?
A. It is wrong, sir.

Q. Now, do you know what is right?
A. Yes, sir.

Q. What is right[?] Is telling a lie right?
A. It is wrong.

Q. Is telling a lie right?
A. No, sir.

Q. Do you know that if you will tell a lie you will [go] to hell?
A. Yes, sir.

Q. Who sent (sic) you to hell?
A. Papa Jesus.

x x x x x x x x x

Q. Are you telling a lie[,] Miss Witness?
A. No[,] ma'am.

Q. So when you said and what you testified before us that your father raped you, that is the truth?
A. Yes, ma'am.

Q. Because you are afraid to tell a lie?
A. Yes, ma'am.[27]

[27] *Rollo*, p. 13.

The Court is also not swayed by Manlolo's argument that the absence of spermatozoa renders AAA's claim doubtful. We have consistently ruled that the absence of semen in AAA's vaginal area does not rule out a finding of rape. The presence or absence of spermatozoa is immaterial because the presence of spermatozoa is not an element of rape,[28] since it is penetration, not ejaculation, which constitutes the crime of rape. Besides, the absence of the seminal fluid from the vagina could be due to a number of factors, such as the vertical drainage of the semen from the vagina, the acidity of the vagina, or simply the washing of the vagina after the sexual intercourse.[29]

Manlolo also claims that the reason why he was charged in the instant case is because he and BBB always quarrel. He further avers that the motive behind this case is very clear that the family of BBB used AAA to indict him of a crime which he did not commit.

We are not convinced. The CA aptly ruled that ill-feelings and improper motives become inconsequential where there are affirmative and categorical declarations establishing appellant's accountability and culpability for the felony.

Motives such as extortion, resentment, or revenge never have swayed this Court from giving full credence to the testimony of a minor rape victim.[30] More so, when such imputation is unsubstantiated as in the case at bar. To reiterate, there is no evidence that the witnesses were actuated by improper motive, the presumption is that they were not so actuated.

Alleged motive of family feud, resentment, or revenge is not an uncommon defense, the same has never swayed the Court from lending full credence to the testimony of a complainant who remained steadfast throughout her direct and cross-examinations.[31]

---

[28] *People v. Agalot,* G.R. No. 220884, February 21, 2018.

[29] *People v. Alberca,* 810 Phil. 896, 907-908 (2017) (citations omitted).

[30] *People v. XXX,* G.R. No. 244047, December 10, 2019.

[31] *People v. XXX, supra* note 9.

All told, the Court agrees with the CA in affirming the ruling of the RTC finding Manlolo guilty beyond reasonable doubt of the crime of qualified rape under Criminal Case No. 2975. We do, however, find that the award of damages must be modified pursuant to *People v. Jugueta,*[32] which provides that in case of qualified rape and the penalty imposed is death but reduced to *reclusion perpetua* because of R.A. No. 9346, the award for civil indemnity, moral damages and exemplary damages is ₱100,000.00 each.

WHEREFORE, the appeal is **DENIED.** The Decision dated May 17, 2016 of the Court of Appeals in CA-G.R. CR-HC No. 07134 is **AFFIRMED** with **MODIFICATION.** Appellant Joseph Manlolo *y* Gante is found **GUILTY** beyond reasonable doubt of the crime of qualified rape, and is hereby **SENTENCED** to suffer the penalty of *reclusion perpetua* without eligibility for parole and **ORDERS** him to **PAY** AAA ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages, all subject to 6% interest from the finality of the Decision until fully paid.

SO ORDERED.

Peralta, C.J. (Chairperson), Caguioa, Lazaro-Javier, and *Lopez, JJ.,* concur.

FIRST DIVISION

[G.R. No. 233055. August 19, 2020]

HEIRS OF PEDRO BERNARDO and PACITA RONQUILLO, represented by BELEN B. ORTIZ, HEIRS OF CARLITO BERNARDO, represented by MA. LOURDES PAGTALUNAN, HEIRS OF JAIME R. BERNARDO, TERESITA R. BERNARDO and

[32] 783 Phil. 806 (2016).

DIOSA B. ABES, *petitioners*, *vs.* **SPOUSES GUADALUPE M. GAMBOA and TRINIDAD CABALLERO,** *respondents.*

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; FACTUAL FINDINGS OF THE TRIAL COURT, WHEN AFFIRMED BY THE COURT OF APPEALS, ARE GENERALLY BINDING ON THE SUPREME COURT.—** [O]nly questions of law may be raised in a petition for review on *certiorari*, as this Court is not a trier of facts. The factual findings of the trial court, when affirmed by the CA, are generally binding on this Court. Subject to recognized exceptions, it is not the function of the Court to review, analyze and weigh all over again evidence already considered in the proceedings below. None of these exceptions, however, applies in this case.

2. **CIVIL LAW; LAND TITLES AND DEEDS; LAND REGISTRATION; TORRENS SYSTEM; A TORRENS TITLE CANNOT BE ALTERED, MODIFIED OR CANCELLED EXCEPT IN A DIRECT PROCEEDING; DIRECT PROCEEDING, DEFINED.—** It is settled that a Torrens title cannot be altered, modified or cancelled except in a direct proceeding in accordance with law. A direct proceeding is an action specifically to annul or set aside such judgment or enjoin its enforcement.

3. **ID.; ID.; ID.; ID.; AN ACTION FOR RECONVEYANCE IS A RECOGNIZED REMEDY, AN ACTION *IN PERSONAM*, AVAILABLE TO A PERSON, WHOSE PROPERTY HAS BEEN WRONGFULLY REGISTERED UNDER THE TORRENS SYSTEM IN ANOTHER'S NAME; CASE AT BAR.—** [A]n action for reconveyance is a recognized remedy, an action *in personam*, available to a person whose property has been wrongfully registered under the Torrens system in another's name. In an action for reconveyance, the decree is not sought to be set aside, as the same is respected as incontrovertible and no longer open to review. What is being sought is the transfer or reconveyance of the land from the registered owner to the rightful owner. In this case, what respondents are seeking is the exclusion of the 14,749-square

meter portion of Lot 1324 fraudulently included in OCT No. P-2980 (now TCT No. NT-109773). As a matter of fact, when they had filed their complaint for reconveyance, respondents did not seek reconsideration of the grant of the patent or the decree issued in the registration proceedings.

4. **ID.; ID.; ID.; ID.; A CERTIFICATE OF TITLE IS MERELY AN EVIDENCE OF OWNERSHIP, IT CANNOT BE USED TO PROTECT A USURPER FROM THE TRUE OWNER; NOR CAN IT BE USED AS A SHIELD FOR THE COMMISSION OF FRAUD, AND ITS ISSUANCE IN FAVOR OF A PARTICULAR PERSON DOES NOT FORECLOSE THE POSSIBILITY THAT THE REAL PROPERTY MAY BE OWNED BY ANOTHER PERSON; CASE AT BAR.—** [T]he fact that the 14,749-square meter portion of Lot 1324 was included in OCT No. P-2980 (now TCT No. NT-109773) does not automatically mean that petitioners are the lawful owners thereof. Their contention that respondents have no right to be issued a title over a portion of an already titled lot is unfounded. It is basic that a certificate of title is merely an evidence of ownership, it cannot be used to protect a usurper from the true owner; nor can it be used as a shield for the commission of fraud, and its issuance in favor of a particular person does not foreclose the possibility that the real property may be owned by another person. Thus, both the RTC of Gapan City, Nueva Ecija, Branch 34, and the CA did not err in upholding the right of respondents to ask for the reconveyance of the subject 14,749-square meter portion.

5. **ID.; OBLIGATIONS AND CONTRACTS; FRAUD; ELUCIDATED.—** In its general sense, fraud is deemed to comprise anything calculated to deceive, including all acts and omissions and concealment involving a breach of legal or equitable duty, trust, or confidence justly reposed, resulting in damage to another, or by which an undue and unconscientious advantage is taken of another. While fraud cannot be presumed, it need not be proved by direct evidence and it can well be inferred from attendant circumstances.

6. **REMEDIAL LAW; CIVIL PROCEDURE; PARTIES TO CIVIL ACTION; REAL PARTIES IN INTEREST; INTEREST, DEFINED; CASE AT BAR.—** Section 2, Rule 3 of the Rules of Court lays down the definition of a real party

in interest. x x x There is no question that respondents are the ones who bought Lot 1324 from their predecessors-in-interest, spouses Corseno Padolina and Maria Abesamis, who acquired the same from Severino and Rizal Bautista. Respondents have been in actual physical possession of the same since their acquisition in 1978. Evidence on record supports the finding of the RTC of Gapan City and the CA that respondents are the owners of Lot 1324. The allegations in their complaint that they and their predecessors-in-interest had always owned and possessed Lot 1324 clearly make them real parties in interest who have a cause of action against petitioners' predecessor-in-interest who wrongfully included a portion thereof in his title. Interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case. Logically, respondents stand to be benefited if judgment is rendered ordering the exclusion of the 14,749-square meter portion from petitioners' title, and be injured if judgment is rendered against reconveyance.

7. **CIVIL LAW; PRESCRIPTION; PRESCRIPTION OF ACTIONS; AN ACTION FOR RECONVEYANCE MAY BE BARRED BY PRESCRIPTION; AN EXCEPTION IS WHEN THE PROPERTY IN DISPUTE IS IN ACTUAL POSSESSION OF THE PLAINTIFF; SUCH PLAINTIFF HAS A RIGHT TO WAIT UNTIL HIS OR HER POSSESSION IS DISTURBED OR HIS OR HER TITLE IS QUESTIONED BEFORE INITIATING AN ACTION TO VINDICATE HIS OR HER RIGHT.—** We are mindful of the fact that an action for reconveyance may be barred by prescription. However, one recognized exception is when the property in dispute is in actual possession of the plaintiff. Prescription does not run against the plaintiff in actual possession of the disputed land because such plaintiff has a right to wait until his possession is disturbed or his title is questioned before initiating an action to vindicate his right. As such, his undisturbed possession gives him the continuing right to seek the aid of a court of equity to determine the nature of the adverse claim of a third party and its effect on his title.

8. **ID.; OBLIGATIONS AND CONTRACTS; LACHES; ESTABLISHED WHEN A PARTY WAS NEGLIGENT OR HAS FAILED TO ASSERT A RIGHT WITHIN A REASONABLE TIME, THUS GIVING RISE TO THE**

PRESUMPTION THAT HE OR SHE HAS ABANDONED IT.— There is laches when a party was negligent or has failed to assert a right within a reasonable time, thus giving rise to the presumption that he or she has abandoned it. Laches has set in when it is already inequitable or unfair to allow the party to assert the right.

APPEARANCES OF COUNSEL

Jaromay Laurente Pamaos Law Offices for petitioners.
Mario M. Pangilinan for respondents.

D E C I S I O N

REYES, J. JR., ***J.*****:**

This Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court seeks to reverse and set aside the Decision[2] dated January 31, 2017 and the Resolution[3] dated July 18, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 104636, which affirmed the Decision[4] dated February 9, 2015 of the Regional Trial Court (RTC) of Gapan City, Nueva Ecija, Branch 34, in Civil Case No. 2738 for Cancellation of Title and/or Reconveyance of Title and Damages.

Factual Antecedents

The subject properties in the present case involve two adjacent parcels of land, denominated as Lot 1323 (later known as Lot 1323-B) and Lot 1324, located at Sitio Bical-Bical, Diwalaan, General Tinio, Nueva Ecija.[5]

---

[1] *Rollo*, pp. 15-42.

[2] Penned by Associate Justice Florito S. Macalino, with Associate Justices Mariflor P. Punzalan-Castillo and Zenaida T. Galapate-Laguilles, concurring; *id.* at 54-63.

[3] *Id.* at 64-65.

[4] Penned by Judge Celso O. Baguio; *id.* at 619-634.

[5] *Id.* at 627.

The petitioners are the heirs of the late spouses Bernardo and Pacita Ronquillo, namely: 1) Belen A. Ortiz; 2) the Heirs of Carlito Bernardo, represented by Ma. Lourdes Pagtalunan; 3) Heirs of Jaime R. Bernardo, [this may be omitted but the name of said representative is mentioned and alleged in the petition, page 15] represented by Lilia Bernardo; 4) Teresita R. Bernardo; and, 5) Diosa B. Abes (referred to individually by their first names, or collectively as petitioners). Records reveal that petitioners occupy Lot 1323, having derived ownership over the same as heirs of their predecessors-in-interest, spouses Pedro Bernardo and Pacita Ronquillo. According to petitioners, Lot 1323 had an area of 67,873 square meters, per Original Certificate of Title (OCT) No. P-2980 in the names of Pedro Bernardo, married to Pacita Ronquillo.[6] However, a CA Decision dated February 3, 1978 had found that Lot 1323 encroached on the adjacent land owned by spouses Clemente and Gregoria Paredes. As such, the CA then ordered spouses Pedro Bernardo and Pacita Ronquillo to reconvey to spouses Clemente and Gregoria Paredes an area of 8,161.705 square meters. Consequently, Lot 1323 became known as Lot 1323-B with a reduced area of 59,711 square meters, per Transfer Certificate of Title (TCT) No. NT-109773.[7] When petitioners inherited Lot 1323-B, title was transferred to them, and TCT No. NT-308292 was issued in their names.[8]

On the other hand, Lot 1324 has an area of 42,643 square meters and is occupied by respondents spouses Guadalupe M. Gamboa and Trinidad Caballero (respondents), who acquired ownership thereof by virtue of a notarized *Kasulatan ng Bilihang Tuluyan* dated May 15, 1978, wherein spouses Corseno Padolina and Maria Abesamis sold said Lot 1324 to respondents for ₱28,500.00.[9] According to respondents, their predecessors-in-interest had occupied Lot 1324 since 1925. After acquiring

---

[6] *Id.* at 55.

[7] *Id.* at 55-56.

[8] *Id.* at 56.

[9] *Id.* at 55, 627.

Lot 1324 in 1978, respondents immediately took possession thereof and performed acts of ownership thereon, such as planting mango trees, and building a poultry house and water fountain within the premises.[10]

In November 2003, petitioner Belen sent respondents a sketch plan of Lot 1323-B and informed them that petitioners had caused a relocation survey of Lot 1323-B and found that an area consisting of 14,749 square meters was being occupied by respondents. Upon verification, respondents learned that said 14,749-square meter portion in their physical possession and being cultivated by them since 1978, was included in petitioners' TCT No. NT-109773.[11]

On December 23, 2003, the respondents filed a Complaint[12] against petitioners for Cancellation of Title and/or Reconveyance of Title with Damages. In the Complaint, respondents alleged, among others, that: 1) Lot 1323 was acquired by spouses Pedro Bernardo and Pacita Ronquillo from the latter's mother, Sotera Maducdoc; 2) between August 25 and November 7, 1958, spouses Pedro Bernardo and Pacita Ronquillo had Lot 1323 surveyed, revealing an area of 19,656 square meters, per subdivision plan Psu-173404 of Geodetic Engineer Deogracias Javier; 3) spouses Pedro Bernardo and Pacita Ronquillo fraudulently procured another subdivision plan executed by Pedro Rayo, which substantially increased the area of Lot 1323 and used the same in their application for free patent; 4) OCT No. P-2980 was issued in the names of spouses Pedro Bernardo and Pacita Ronquillo, and Lot 1323 was described therein as having an area of 67,873 square meters; 5) respondents were shocked when petitioner Belen informed them that a 14,749-square meter portion of their land was included in petitioners' TCT No. NT-109773; 6) at the time of their application, the 14,749-square meter portion had ceased to be part of the free, alienable and disposable portion of the public domain and thus,

---

[10] *Id.* at 55, 629.

[11] *Id.* at 68.

[12] *Id.* at 66-72.

was unlawfully included by spouses Pedro Bernardo and Pacita Ronquillo in their application for free patent; and, 7) in a separate case, spouses Pedro Bernardo and Pacita Ronquillo were found guilty of fraud by the CA and ordered to reconvey an area of 8,161.705 square meters to spouses Clemente and Gregoria Paredes. Respondents prayed that petitioners be ordered to cause the segregation of the 14,749-square meter portion of Lot 1324 from TCT No. NT-109773 and have said portion titled in the names of respondents, and that the Register of Deeds of Nueva Ecija be ordered to partially cancel TCT No. NT-109773 insofar as it covers said segregated portion and issue a new certificate of title over the same in the names of respondents. Respondents further prayed that petitioners be ordered to pay them actual, moral and exemplary damages, litigation expenses and attorney's fees.[13]

Petitioners then filed their Answer with Counterclaim. They countered that a relocation survey of Lot 1323 was conducted, which showed that respondents encroached upon an area therein consisting of 14,749 square meters, and the matter was then brought before the *Barangay*. However, when the parties were about to settle, respondents suddenly filed their complaint. Petitioners asserted that the complaint was barred by *res judicata* as there was a previous judgment against respondents' predecessor-in-interest, Corseno Padolina, denying his claim that two hectares of his land was erroneously included in OCT No. P-2980. Petitioners added that prescription and laches had set in because OCT No. P-2980, which was issued on January 3, 1962, had long attained indefeasibility and respondents' action to annul petitioners' title prescribed after four years. Petitioners sought payment of actual, moral and exemplary damages, among others.[14]

During the pre-trial, the parties stipulated that respondents were in actual physical possession of the 14,749-square meter portion in dispute.[15] Trial ensued thereafter.

---

[13] *Id.* at 71.

[14] *Id.* at 620.

[15] *Id.* at 621.

Eventually, the RTC of Gapan City, Nueva Ecija, Branch 34, rendered its Decision dated February 9, 2015 in favor of respondents. The said RTC found that Pedro Bernardo had been previously judicially held guilty of encroaching on his neighbor's land, spouses Clemente and Gregoria Paredes, and thus, there was basis for respondents' claim that he likewise encroached on their Lot 1324. The RTC of Gapan City added that fraud was perpetrated by Pedro Bernardo prior to respondents' acquisition of Lot 1324, by virtue of the second relocation survey conducted on Lot 1323. The RTC found that petitioners failed to present credible evidence to prove their claim that the disputed 14,749-square meter area was part of Lot 1323. Finally, the RTC ruled that respondents were not guilty of laches and their action was not barred by prescription since petitioners admitted that respondents had always been in possession of Lot 1324. The dispositive portion of said Decision reads:

> ***WHEREFORE***, premises considered, judgment is hereby rendered in favor of the plaintiffs and against the defendants:
>
> 1. Ordering the defendants to cause, at their expense the subdivision of Lot 1323-B covered by TCT No. NT-308292 segregating a portion of 14,749 square meters of plaintiffs' lot in question and to have the segregated portion titled in the names of plaintiff spouses Guadalupe Gamboa and Trinidad Caballero;
>
> 2. Ordering the Register of Deeds of Nueva Ecija to cancel partially TCT No. NT-308292 in so far as it covers the segregated portion and to issue a new certificate of title over the same portion in the name of plaintiffs;
>
> ***SO ORDERED.***[16]

Petitioners then filed an appeal before the CA. Petitioners alleged that the RTC of Gapan City, Nueva Ecija, Branch 34, erred in using as basis in its decision in respondents' favor, the CA Decision dated February 3, 1978, which found Pedro Bernardo guilty of encroaching on the land owned by spouses Clemente and Gregoria Paredes. Petitioners argued that no

---

[16] *Id.* at 633-634.

evidence was adduced by respondents to prove their claim that Pedro Bernardo committed fraud in acquiring Lot 1323. Petitioners insisted that the RTC erred in holding that the action filed by respondents was imprescriptible and not barred by laches, and that respondents had a valid cause of action against them. Petitioners also claimed that they were entitled to damages because respondents filed the complaint in bad faith.[17]

In the assailed Decision dated January 31, 2017,[18] the CA denied petitioners' appeal. The CA held, among others, that respondents were able to prove by documentary and testimonial evidence the identity of Lot 1324 with a total area of 42,643 square meters and their ownership over the same. The CA elaborated on the fraud perpetrated by Pedro Bernardo in causing the relocation survey of Lot 1323 to include a portion of Lot 1324 consisting of 14,749 square meters, and using said survey in his application for free patent, which was granted even though it was not accompanied by an official plan and official technical description. The CA affirmed the ruling of the trial court that the action was not barred by prescription and laches, and also found that herein petitioners were not entitled to damages because respondents filed the complaint in good faith. The CA ruled in this wise:

> **WHEREFORE**, premises considered, the instant Appeal is hereby **DENIED**. Accordingly, the 9 February 2015 Decision of the Regional Trial Court of Gapan City, Nueva Ecija, Branch 34 in Civil Case No. 2738 is **AFFIRMED**.
>
> **SO ORDERED**.[19]

Petitioners filed a Motion for Reconsideration,[20] but the CA denied the same in the assailed Resolution dated July 18, 2017.[21]

---

[17] *Id.* at 58-59.

[18] *Supra* note 2.

[19] *Rollo*, p. 63.

[20] *Id.* at 702-708.

[21] *Supra* note 3.

Hence, petitioners come to this Court raising the following questions of fact and law:

A. WHETHER THE ACTION FILED BY THE RESPONDENTS BEFORE THE REGIONAL TRIAL COURT (RTC) IS ACTUALLY AN ILLEGAL COLLATERAL ATTACK UPON THE TORRENS TITLE DULY ISSUED IN THE NAME OF PETITIONERS' FATHER;

B. WHETHER ALLEGED FRAUD ON THE PART OF PETITIONERS' FATHER WHICH SUPPOSEDLY ATTENDED THE PROCUREMENT AND SUBSEQUENT ISSUANCE OF OCT No. P-2980 (NOW TCT No. NT-109773) MAY BE LAWFULLY RAISED AND ASSAILED IN THE ACTION FILED BY RESPONDENTS BEFORE THE RTC;

C. WHETHER THE RESPONDENTS MAY LAWFULLY ASK FOR THE SUBDIVISION AND ISSUANCE OF A TITLE IN THEIR NAMES OVER A PORTION OF OCT No. P-2980 (NOW TCT No. NT-109773) THROUGH THE ACTION FILED BY THEM BEFORE THE RTC;

D. WHETHER THE PROPERTY ALREADY COVERED BY TITLE IN THE NAME OF PETITIONERS' FATHER (OCT No. P-2980, NOW TCT No. NT-109773) MAY STILL BE ACQUIRED THROUGH ACQUISITIVE PRESCRIPTION BY MERE OCCUPATION OR POSSESSION BY THE RESPONDENTS;

E. WHETHER THE COURT OF APPEALS' VERSION OF THE "FACTS OF THE CASE" AS STATED IN THE *DECISION* IS ACTUALLY SUPPORTED BY AND IN ACCORD WITH THE EVIDENCE ON RECORD;

F. WHETHER THE COURT OF APPEALS ERRED IN SOLELY RELYING UPON THE TAX DECLARATIONS AND SUBDIVISION PLAN IN CONCLUDING THAT RESPONDENTS ARE ENTITLED TO OWN AND BE ISSUED A CERTIFICATE OF TITLE OVER A PORTION OF LOT 1323-B (COVERED BY THEN OCT No. P-2980, NOW TCT No. NT-109773);

G. WHETHER THE RESPONDENTS — ASSUMING FOR THE SAKE OF ARGUMENT THAT THE RTC CASE IS

NOT A COLLATERAL ATTACK UPON THE PETITIONERS' TORRENS TITLE — DISCHARGED THEIR BURDEN AND HAD PROVEN BY SUFFICIENT EVIDENCE THEIR CLAIM OF OWNERSHIP OVER A PORTION OF LOT 1323-B (COVERED BY THEN OCT No. P-2980, NOW TCT No. NT-109773) AND THEIR CLAIM THAT THE SAME SHOULD BE SEGREGATED FROM THE LOT COVERED BY [THE] TITLE ISSUED IN THE NAME OF PETITIONERS' FATHER;

H. WHETHER THE RESPONDENTS WERE ABLE TO PROVE THE ALLEGED FRAUD ON THE PART OF PETITIONERS' FATHER WHICH SUPPOSEDLY ATTENDED THE PROCUREMENT AND SUBSEQUENT ISSUANCE OF OCT No. P-2980 (NOW TCT No. NT-109773); and

I. WHETHER THE RESPONDENTS MAY LAWFULLY INITIATE THIS CASE FOR CANCELLATION OF TITLE NOT [BEING] THE REAL-PARTIES IN INTEREST AND THUS NOT ENTITLED TO THE REGISTRATION OF A PORTION OF THE PROPERTY UNDER THEIR NAMES.[22]

The Court's Ruling

The Petition must be denied for utter lack of merit.

At the outset, we emphasize that only questions of law may be raised in a petition for review on *certiorari*, as this Court is not a trier of facts.[23] The factual findings of the trial court, when affirmed by the CA, are generally binding on this Court.[24] Subject to recognized exceptions, it is not the function of the Court to review, analyze and weigh all over again evidence already considered in the proceedings below.[25] None of these exceptions, however, applies in this case.

---

[22] *Rollo*, pp. 21-23.

[23] *Carinan v. Spouses Cueto*, 745 Phil. 186, 192 (2014).

[24] *Republic v. C.C. Unson Company, Inc.*, 781 Phil. 770, 783 (2016).

[25] *Department of Education v. Mariano Tuliao*, 735 Phil. 703, 711 (2014).

In any case, a judicious review of the records reveals that petitioners failed to show any reversible error on the part of the CA.

We *first* rule that the action for reconveyance filed by respondents is not a collateral attack on OCT No. P-2980 (now TCT No. NT-109773) and the respondents may pray for the segregation of the 14,749-square meter portion of Lot 1324 wrongfully included therein.

It is settled that a Torrens title cannot be altered, modified or cancelled except in a direct proceeding in accordance with law. A direct proceeding is an action specifically to annul or set aside such judgment or enjoin its enforcement.[26]

In addition, an action for reconveyance is a recognized remedy, an action *in personam*, available to a person whose property has been wrongfully registered under the Torrens system in another's name.[27] In an action for reconveyance, the decree is not sought to be set aside, as the same is respected as incontrovertible and no longer open to review. What is being sought is the transfer or reconveyance of the land from the registered owner to the rightful owner.[28]

In this case, what respondents are seeking is the exclusion of the 14,749-square meter portion of Lot 1324 fraudulently included in OCT No. P-2980 (now TCT No. NT-109773). As a matter of fact, when they had filed their complaint for reconveyance, respondents did not seek reconsideration of the grant of the patent or the decree issued in the registration proceedings.

Perusing the records, respondents had prayed in their complaint only for the segregation of the 14,749-square meter portion wrongfully included in Lot 1323-B, and the partial cancellation of OCT No. P-2980 (now TCT No. NT-109773)

---

[26] *Berboso v. Cabral*, 813 Phil. 405, 421-422 (2017).

[27] *Hortizuela v. Tagufa*, 754 Phil. 499, 508 (2015).

[28] *Wee v. Mardo*, 735 Phil. 420, 434 (2014).

in so far as the same covers the 14,749-square meter portion of Lot 1324.[29]

Furthermore, the fact that the 14,749-square meter portion of Lot 1324 was included in OCT No. P-2980 (now TCT No. NT-109773) does not automatically mean that petitioners are the lawful owners thereof. Their contention that respondents have no right to be issued a title over a portion of an already titled lot is unfounded. It is basic that a certificate of title is merely an evidence of ownership, it cannot be used to protect a usurper from the true owner; nor can it be used as a shield for the commission of fraud, and its issuance in favor of a particular person does not foreclose the possibility that the real property may be owned by another person.[30] Thus, both the RTC of Gapan City, Nueva Ecija, Branch 34, and the CA did not err in upholding the right of respondents to ask for the reconveyance of the subject 14,749-square meter portion.

As regards petitioners' claim that respondents could not ask for the subdivision of a duly titled lot and issuance of a title over the disputed portion through an action for reconveyance, the same is proper since the main object of reconveyance is to return to its rightful owner, a piece of property erroneously registered in the name of another person. To reiterate, an action for reconveyance is a legal and equitable remedy granted to the rightful landowner, whose land was wrongfully or erroneously registered in the name of another, to compel the registered owner to transfer or reconvey the land to him.[31]

Second, we rule that respondents had proven the identity of Lot 1324 and their ownership over the same by preponderance of evidence.

Petitioners insist that respondents were not able to sufficiently prove their ownership over Lot 1324, as well as the right of their supposed predecessors-in-interest to transfer Lot 1324 to

---

[29] *Rollo*, p. 71.

[30] *Sta. Fe Realty, Inc. v. Sison*, 794 Phil. 180, 193 (2016).

[31] *Gabutan v. Nacalaban*, 788 Phil. 546, 577 (2016).

them.[32] Petitioners add that the CA erred in solely relying on tax declarations as proof of respondents' ownership over Lot 1324.[33]

The Court is not persuaded.

Contrary to petitioners' assertions, the CA did not base its ruling on the identity and ownership of Lot 1324 solely on tax declarations submitted by respondents. Records show that the property subject of the *Kasulatan ng Bilihang Tuluyan* dated May 15, 1978 was clearly described as having 42,643 square meters and bordered by the same parcels of land stated by respondents in their complaint.[34] Also, as admitted by petitioners, the respondents were in actual physical possession of the property and herein petitioners themselves were uncertain as to when the alleged encroachment by respondents started.[35] Evidence of cultivation also existed since the planted mango trees planted by respondents which date back to the late 1970's are now full-grown.[36] This clearly shows that upon acquisition of Lot 1324, respondents immediately took possession of the said lot and exercised acts of ownership over it.

It is worth noting that Lot 1324 is just the denomination of the land owned by respondents. That the name of the land was not specifically mentioned in the *Kasulatan ng Bilihang Tuluyan* is of no moment, since the description of Lot 1324 having an area of 42,643 square meters and its boundaries were clearly stated in the said document. This lends support to the tax declarations submitted by respondents which clearly describe the land being taxed as having an area of 42,643 square meters.[37] We quote the findings of the CA on such matter, *viz.*:

---

[32] *Rollo*, p. 34.

[33] *Id.* at 30-31.

[34] *Id.* at 59-60, 627, 628.

[35] *Id.* at 621, 632-633.

[36] *Id.* at 629.

[37] *Id.* at 59-60.

It appears from Tax Declaration No. 14259 in the name of Spouses Padolina that Severino and Rizal Bautista sold their land to them identified as Psu-173405 with an area of 42,643 square meters. Said lot is bounded on the north by Juan Maducdoc and Sapang Pahalang; on the southeast by Sapang Pahalang; on the Southwest by the lot of Defendants-Appellants' father identified as Psu-173404 and on the northwest by Apolonio Bote's Psu-88127.

On 15 May 1978, through a *Kasulatan*, Spouses Padolina sold to Plaintiffs-Appellees the property they bought from Severino and Rizal Bautista declared as Psu-173405 under Tax Declaration No. 2917 with an area of 42,643 square meters. As reflected in the *Kasulatan*, the property sold was not referred to as Lot 1324 although in Tax Declaration No. 2917, it was identified as Lot 1324. From the time of purchase of Lot 1324 up to the present, Plaintiffs-Appellees are in actual physical possession thereof and have religiously paid the taxes due thereon.[38]

Thus, the CA did not err when it held that respondents were able to prove the identity of their property, as well as their ownership over the same.

Third, as to the issue raised by petitioners on whether respondents were able to prove fraud perpetuated by their late father, the Court holds that the 14,749-square meter portion of Lot 1324 belonging to respondents was fraudulently included in the relocation survey used by Pedro Bernardo in support of his application for free patent of Lot 1323.

In its general sense, fraud is deemed to comprise anything calculated to deceive, including all acts and omissions and concealment involving a breach of legal or equitable duty, trust, or confidence justly reposed, resulting in damage to another, or by which an undue and unconscientious advantage is taken of another.[39] While fraud cannot be presumed, it need not be proved by direct evidence and it can well be inferred from attendant circumstances.[40]

---

[38] *Id.* at 59-60.

[39] *Philippine Banking Corp. v. Dy*, 698 Phil. 750, 758 (2012).

[40] *Republic v. Mega Pacific Esolutions, Inc.*, 788 Phil. 160, 188 (2016).

Notably, both the RTC of Gapan City and the CA found that the fraud committed by Pedro Bernardo consisted in his acts of, *first*, procuring a relocation survey whereby the area of his land substantially increased to 67,873 square meters from its original area of 42,642 square meters, per subdivision plan Psu-173404 of Geodetic Engineer Deogracias Javier, and *second*, using the subsequent relocation survey in his application for free patent, which ultimately resulted in the issuance of OCT No. P-2980.[41]

Significantly, it was not only respondents who had an issue regarding the wrongful inclusion of property in OCT No. P-2980. It must be pointed out that spouses Clemente and Gregoria Paredes, owners of land likewise adjacent to Lot 1323, also filed an action against Pedro Bernardo alleging that he fraudulently included a portion of their land in OCT No. P-2980, and successfully claimed reconveyance of said portion. This was in fact admitted by petitioners.[42] Thus, the RTC of Gapan City was correct in holding that respondents "cannot be faulted in believing that Pedro Bernardo also caused the inclusion in his title of a portion of the former's lot" which "happened simultaneously with the encroachment into the adjacent Paredes lot."[43] Furthermore, as found by the CA, petitioner Belen admitted that when her father filed his application for free patent, the same was not supported by an approved technical description of the lot.[44] Petitioners also failed to present competent proof on how their father was able to increase the size of Lot 1323 from 42,642 square meters to 67,873 square meters.[45]

Petitioners still insist that it was respondents who encroached on their land. However, petitioners could not ascertain when such alleged encroachment happened, and how the same was

---

[41] *Rollo*, pp. 60-61, 627.

[42] *Id.* at 17.

[43] *Id.* at 627-628.

[44] *Id.* at 60.

[45] *Id.* at 60-61.

supposedly carried out by respondents.[46] On the contrary, what is unquestionable is that respondents have been in actual possession of the entire Lot 1324 from the time they became owners thereof by virtue of the *Kasulatan ng Bilihang Tuluyan* dated May 15, 1978. We quote the findings of the RTC of Gapan City to show that indeed respondents are in actual possession of Lot 1324 from the time they had purchased the subject property, to wit:

> Judge Ortiz also admitted that she did not know the exact date when plaintiffs entered into a portion of her property and that she and her co-defendants only discovered it after they commissioned a relocation survey of their land in 2003. It is clear, however, that plaintiffs did not have any participation in that survey and that they only came to know of the results thereof after the defendants made the initial moves to reclaim the disputed area that was, and still is, in plaintiffs' possession.
>
> Examining the records, the court finds no clear evidence of this encroachment. Even Judge Ortiz could not say with unmistakable certainty how and when plaintiffs' encroached on their lot. She admits, however, that a portion of the land in possession of the plaintiffs is included in her and her co-defendants' title.
>
> On the other hand, plaintiffs have shown quite clearly that from the time they acquired Lot 1324 in 1978, they have occupied the lot and have remained in possession thereof until the present. Plaintiffs have also clearly established that Lot 1324 contained the area of 42,643 square meters, the same area that they continue to possess at present.[47]

Fourth, we rule that respondents are real parties in interest who have a valid cause of action against petitioners.

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

> SEC. 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.

---

[46] *Id.* at 632-633.

[47] *Id.*

There is no question that respondents are the ones who bought Lot 1324 from their predecessors-in-interest, spouses Corseno Padolina and Maria Abesamis, who acquired the same from Severino and Rizal Bautista. Respondents have been in actual physical possession of the same since their acquisition in 1978. Evidence on record supports the finding of the RTC of Gapan City and the CA that respondents are the owners of Lot 1324. The allegations in their complaint that they and their predecessors-in-interest had always owned and possessed Lot 1324 clearly make them real parties in interest who have a cause of action against petitioners' predecessor-in-interest who wrongfully included a portion thereof in his title.[48] Interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case.[49] Logically, respondents stand to be benefited if judgment is rendered ordering the exclusion of the 14,749-square meter portion from petitioners' title, and be injured if judgment is rendered against reconveyance.

Petitioners' claim that only the State may institute an action for reversion is misplaced. As discussed earlier, respondents are merely seeking the exclusion from OCT No. P-2980 (now TCT No. NT-109773) of the 14,749-square meter portion forming part of Lot 1324. They are not attacking the issuance of OCT No. P-2980 (now TCT No. NT-109773). Their cause of action lies in the wrongful registration of a portion of their property by Pedro Bernardo, petitioners' predecessor-in-interest.

Finally, as to the issue on prescription and laches, the Court rules that the action filed by respondents is not barred by prescription and laches.

We are mindful of the fact that an action for reconveyance may be barred by prescription.[50] However, one recognized exception is when the property in dispute is in actual possession of the plaintiff. Prescription does not run against the plaintiff

---

[48] *Id.* at 67-69.

[49] *Ang v. Pacunio*, 763 Phil. 542, 547 (2015).

[50] *Francisco v. Rojas*, 734 Phil. 122, 151 (2014).

in actual possession of the disputed land because such plaintiff has a right to wait until his possession is disturbed or his title is questioned before initiating an action to vindicate his right. As such, his undisturbed possession gives him the continuing right to seek the aid of a court of equity to determine the nature of the adverse claim of a third party and its effect on his title.[51]

Here, respondents are the ones in actual possession of the subject property — Lot No. 1324.

We stress that petitioners had admitted that respondents are the ones in possession of the property, and such fact was stipulated on during the pre-trial.[52] As aptly found by the CA, the fact of actual possession of plaintiffs-appellees (respondents) of Lot 1324 is an undisputed and established fact, the parties having stipulated on the same during the pre-trial of the case.[53] Thus, there is no question that prescription did not run against respondents.

Neither is the action barred by laches. There is laches when a party was negligent or has failed to assert a right within a reasonable time, thus giving rise to the presumption that he or she has abandoned it.[54] Laches has set in when it is already inequitable or unfair to allow the party to assert the right.[55]

There is no laches to speak of in the present case. Records show that respondents became aware that a portion of their property consisting of 14,749 square meters was wrongfully included in OCT No. P-2980 (now TCT No. NT-109773) only when petitioner Belen sent them a sketch plan of Lot 1323 and informed them of such inclusion in November 2003.[56] Immediately

---

[51] *Campos v. Ortega, Sr.*, 734 Phil. 585, 604 (2014).

[52] *Rollo*, p. 621.

[53] *Id.* at 61-62.

[54] *Sps. Aboitiz v. Sps. Po*, 810 Phil. 123, 148 (2017).

[55] *Reyes v. Tang Soat Ing*, 678 Phil. 806, 824 (2011).

[56] *Rollo*, p. 68.

thereafter, the matter was referred to the *Barangay*. After the parties failed to settle, respondents filed their complaint on December 23, 2003.[57] Clearly, respondents did not abandon their right to the property.

To recapitulate, respondents were able to sufficiently prove ownership and possession of Lot 1324 consisting of 42,643 square meters, and the unlawful inclusion of a 14,749-square meter portion of the same in petitioners' title.

All told, the CA did not err when it rendered the assailed *Decision* and *Resolution*.

WHEREFORE, the instant Petition is **DENIED**. The Decision dated January 31, 2017 and the Resolution dated July 18, 2017 of the Court of Appeals in CA-G.R. CV No. 104636 are **AFFIRMED**.

SO ORDERED.

Peralta, C.J. (Chairperson), Caguioa, Lazaro-Javier, and *Lopez, JJ.*, concur.

FIRST DIVISION

[G.R. No. 243411. August 19, 2020]

JESSICA LUCILA G. REYES, *petitioner*, *vs.* **THE HONORABLE SANDIGANBAYAN THIRD DIVISION and THE PEOPLE OF THE PHILIPPINES**, *respondents*.

SYLLABUS

1. REMEDIAL LAW; CRIMINAL PROCEDURE; TRIAL; REVISED GUIDELINES FOR CONTINUOUS TRIAL OF

---

[57] *Id.* at 66.

CRIMINAL CASES (A.M. NO. 15-06-10-SC); DELAY IN ONE SEGMENT OF THE PROCEEDINGS WHICH DOES NOT STALL THE MAIN PROCEEDINGS IN THE ENTIRE CASE DOES NOT GIVE RISE TO A VIOLATION OF THE RIGHT OF A PARTY TO SPEEDY TRIAL OR DISPOSITION OF HIS OR HER CASE; MUCH LESS, WHEN THE DELAY IN ONE SEGMENT CAN BE ATTRIBUTED TO THE CONDUCT OF SAID PARTY OF SWARMING THE COURT WITH OTHER INCIDENTAL MOTIONS AND PETITIONS THAT CAN SAP ITS TIME AND ATTENTION; BAIL PROCEEDINGS NEED NOT BE COMPREHENSIVE OR DETAILED, FOR ALL THAT IS REQUIRED IS A MERE SUMMARY TREATMENT OF A LIMITED QUESTION OF WHETHER THERE IS STRONG EVIDENCE AGAINST THE BAIL APPLICANT.— Petitioner would have the Court set aside the resolution denying her bail application, and issue an order setting her provisionally free on the ground that the Sandiganbayan acted with grave abuse of discretion in taking more than five months to issue said resolution, thereby violating the three-month period prescribed under Section 6 of Presidential Decree 1606, and more than five months to resolve her motion for reconsideration and supplemental motion for reconsideration, thereby violating the 10-day non-extendible period prescribed under Part III, Section 10 (a) of A.M. No. 15-06-10-SC (Revised Guidelines for Continuous Trial of Criminal Cases). In other words, petitioner refers to the delay in only one segment of the proceedings in SB-14-CRM-0238, that is, her bail application, and argues that said delay constitutes a violation of her right to speedy disposition, which violation in turn warrants a reversal of the resolutions of the Sandiganbayan denying her bail application. Petitioner does not argue that the delay stalled the entire trial, or that the consequent violation of her right to speedy disposition deprived the Sandiganbayan of jurisdiction as would warrant the dismissal of the entire case against her. In addition, petitioner questions the sparse discussion of the facts and the law in the assailed resolutions. The Court holds that delay in one segment which does not stall the main proceedings in the entire case does not give rise to a violation of the right of a party to speedy trial or disposition; much less, when the delay in one segment can be attributed to the conduct of said party of swarming the court with other incidental motions and petitions

that can sap its time and attention. Moreover, petitioner asks too much of bail proceedings, which need not be comprehensive or detailed, for all that is required is a mere summary treatment of a limited question of whether there is strong evidence against the bail applicant.

2. **ID.; ID.; ID.; ID.; A DELAY EITHER DURING THE PRELIMINARY INVESTIGATION STAGE, THE TRIAL OF THE CASE, OR THE RESOLUTION OF A MERE INCIDENTAL OR INTERLOCUTORY MATTER, IN A WAY THAT IS OPPRESSIVE, CAPRICIOUS AND VEXATIOUS, CONSTITUTES A VIOLATION OF THE RIGHT OF A PARTY TO SPEEDY TRIAL OR DISPOSITION, WARRANTING THE OUSTER OF THE COURT OF JURISDICTION AND THE DISMISSAL OF THE CASE.—** In several cases where it exercised administrative supervision, the Court imposed sanctions on judges for failing to resolve the main or incidental and interlocutory issues in criminal and civil cases within either the fixed period prescribed by law or the rules of court or, where no period is prescribed, within a reasonable time. While in these administrative cases the Court declared that the delay constituted a violation of the right of a party to speedy trial or disposition, it characterized the inaction, for periods varying from two to 10 years, of the respondent judges as mere breach of duty, undue or unreasonable delay, or gross inefficiency, rather than as grave or ordinary abuse of authority or discretion as defined in administrative cases. Moreover, the cases or motions were merely ordered to be resolved with dispatch. On the other hand, in a number of civil, criminal or administrative cases, the Court has declared that delay which is oppressive, capricious and vexatious constitutes a violation of the right of a party to speedy trial or disposition. In those cases, the delay took place during either the preliminary investigation stage, the trial stage or the resolution of a mere incidental or interlocutory matter. Moreover, the consequent violation of the right to speedy trial or disposition warranted the ouster of the court of jurisdiction and the dismissal of the cases.

3. **ID.; ID.; ID.; ID.; EVEN IF THE DELAY OCCURRED IN ONLY ONE SEGMENT OF THE PROCEEDINGS OR ON THE RESOLUTION OF AN INTERLOCUTORY MATTER, THE DELAY AMOUNTS TO THE VIOLATION OF THE**

PARTY'S RIGHT TO SPEEDY TRIAL OR DISPOSITION WHICH WILL LEAD TO THE DISMISSAL OF THE ENTIRE CASE, WHERE THERE IS EVIDENCE THAT THE SEGMENT DELAY STALLED THE ENTIRE PROCEEDINGS IN A WAY THAT IS VEXATIOUS, CAPRICIOUS AND OPPRESSIVE; THE DELAY IN RESOLVING PETITIONER'S APPLICATION FOR BAIL WAS NOT OPPRESSIVE AND VEXATIOUS, AS THE DELAY WAS DUE TO THE NUMEROUS AND SIMULTANEOUS INCIDENTS INITIATED BY THE PETITIONER AND HER CO-ACCUSED WHICH THE SANDIGANBAYAN HAD TO RESOLVE, IN ADDITION TO THE MAIN CASE.— It is notable that even where the delay occurred in only one segment involving the proceedings on or the resolution of an interlocutory matter, the resulting violation of the right to speedy trial or disposition led to the dismissal of the entire case. However, in those instances, the Court assessed the delay in one segment in relation to the totality of the trial or disposition of the case, and found that the segment delay stalled the entire case. In the present petition, there is no doubt that the Sandiganbayan incurred delay in one segment for it failed to resolve an interlocutory matter within the period prescribed by law and the rules of court. However, there is no allegation much less evidence by petitioner that this segment delay stalled the entire proceedings in a way that is vexatious, capricious and oppressive. On the contrary, petitioner and her co-accused saddled the Sandiganbayan with numerous and simultaneous incidents that, in the long-run, had the effect of slowing it down as it attends to these various incidents and, at the same time, resolve the main case. Reason for the delay in the trial of a case or the disposition of an incident therein is among the four indicators of whether such delay is oppressive and vexatious as to amount to a violation of the right of a party to speedy trial or disposition. This particular test entails an examination of the conduct of the court and the parties in both the main case and the specific segments.

4. **ID.; ID.; BAIL; THE RESOLUTION DENYING OR GRANTING BAIL NEED NOT BE DETAILED OR EXHAUSTIVE, AS THE SAME IS CONSIDERED SUFFICIENT IF IT INFORMS THE APPLICANT AND OPPOSITOR OF THE FACTS AND THE LAW THAT**

FORM THE BASIS OF THE DENIAL OR GRANT OF BAIL; RESOLUTION OF THE SANDIGANBAYAN ON PETITIONER'S BAIL APPLICATIONS, FOUND SUFFICIENT.— [A]s bail applications pertain to a collateral issue, and the proceedings thereon are summary in nature and "avoid unnecessary thoroughness," the resolution denying or granting bail need not be detailed or exhaustive. In fact, an exhaustive treatment of the evidence runs the risk of preempting the outcome of the substantive issues of the main case. A resolution is sufficient if it informs the applicant and oppositor of the facts and the law that form the basis of the denial or grant of bail. The June 28, 2018 Resolution is sufficient. It apprises the parties of the facts and the evidence relied upon by the Sandiganbayan. Though not detailed, the narrative and discussion inform the applicant of the outcome and explain the reasons therefor. Moreover, whatever details petitioner may have found wanting in the June 28, 2018 Resolution, the Sandiganbayan supplied in its December 7, 2018 Resolution in which 240 pages were devoted to poring over and weighing the prosecution's evidence.

5. **ID.; ID.; ID.; NEITHER *RES JUDICATA* NOR CONCLUSIVENESS OF JUDGMENT IS APPLICABLE TO THE CASE AT BAR, AS THE DECISION OF THE COURT IN *NAPOLES V. SANDIGANBAYAN* (G.R. NO. 224162, NOVEMBER 7, 2017) REGARDING THE STRENGTH OF THE EVIDENCE ON THE EXISTENCE OF CONSPIRACY AND THE COMMISSION OF ACTS OF PLUNDER AND CORRUPTION BY NAPOLES PERTAINED TO AN INTERLOCUTORY ORDER DENYING THE BAIL APPLICATION OF NAPOLES; THUS, NOT BINDING ON THE PETITIONER'S RIGHT TO BAIL.—** This Court has adopted two mechanisms to enforce the principle of estoppel and bar the relitigation of issues between the same parties or their privies regarding a right, fact or matter that have been fully and finally adjudicated upon. The doctrine of *res judicata* under Section 47 (b), Rule 39, Rules of Court bars a second case on the basis of a former final judgment if the following elements are present: there is a former final judgment that was rendered on the merits; the court in the former judgment had jurisdiction over the subject matter and the parties; and there is identity of parties, subject matter and cause of action between

the first and second cases. Conclusiveness of judgment under Section 47 (c) operates under the same element, except that there is identity only of issues and parties, but not of causes of action. For this reason, except in those instances allowed under the law or rules of court, a former final judgment rendered by a competent court in another action between the same parties based on a different claim or cause of action will not bar a second case; however, as said former final judgment is conclusive, "any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein, and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same." *Res judicata* applies to civil cases while conclusiveness of judgment has been applied also to criminal cases and administrative cases. However, neither is an appropriate device for grafting this Court's findings and conclusions in *Napoles v. Sandiganbayan* unto SB-14-CRM-0238, whether in the main proceedings or incidental proceedings. Our decision in *Napoles v. Sandiganbayan* attained finality but it is not the final say on the matter of conspiracy or commission of plunder by Napoles or her co-accused. Our decision pertained to an interlocutory order denying the bail application of Napoles. Being interlocutory, the order is not immutable for it remains under the control of the Sandiganbayan to maintain or change, depending on new developments in the presentation of evidence before it.

6. **ID.; ID.; ID.; THE COURT'S DEFINITION OF THE LEGAL RULE REGARDING THE TYPE OF EVIDENCE NECESSARY TO ESTABLISH CONSPIRACY, AS DECLARED IN THE CASE OF *NAPOLES V. SANDIGANBAYAN*, IS THE LAW OF THE CASE THAT SHALL GOVERN THE PETITIONER'S BAIL APPLICATION.—** The concept of law of the case is more appropriate, for our decision in *Napoles v. Sandiganbayan* declared a legal rule that is controlling of the determination of the existence of conspiracy among the accused in SB-14-CRM-0238. [T]his legal rule is that the conspiracy need not be established by direct evidence. Rather, it can be inferred from the totality of the facts and circumstances regarding their participation that they pursued a common design and purpose.

No direct proof of agreement is necessary. This rule shall govern the determination of whether there is strong evidence of the involvement of petitioner in the conspiracy to commit plunder and corruption by causing the release of the PDAF for ghost projects and the diversion of the funds to the accused persons. It should be emphasized that applying to petitioner's bail application the foregoing law of the case as defined in *Napoles v. Sandiganbayan* is quite different from denying petitioner's bail application because, as held in *Napoles v. Sandiganbayan*, the prosecution had presented strong evidence against Napoles and, by extension, her co-conspirators.

7. **ID.; ID.; ID.; THOUGH NOT FINAL AND BINDING IN THE DETERMINATION OF THE RIGHT TO BAIL OF PETITIONER, THE FINDINGS AND CONCLUSIONS OF THE COURT IN *NAPOLES VS. SANDIGANBAYAN* REGARDING THE STRENGTH OF THE EVIDENCE OF THE PROSECUTION ON THE EXISTENCE OF CONSPIRACY INVOLVING NAPOLES AND HER CO-ACCUSED, AND THE COMMISSION OF ACTS OF PLUNDER AND CORRUPTION BY NAPOLES, MUST BE TAKEN INTO ACCOUNT BY THE SANDIGANBAYAN FOR PURPOSES OF A COMPLETE ASSESSMENT OF THE CREDIBILITY OF THE WITNESSES AND THE RELIABILITY OF THEIR TESTIMONIES.—** [T]hough not binding, the findings and conclusions of this Court in *Napoles v. Sandiganbayan* regarding the strength of the evidence of the prosecution on the existence of conspiracy involving Napoles and her co-accused, and the commission of acts of plunder and corruption by Napoles, must be taken into account by the Sandiganbayan for purposes of a complete assessment of the credibility of the witnesses and the reliability of their testimonies. Petitioner invoked *Occidental Land Transportation v. Court of Appeals* that courts are "not authorized to take judicial notice of the contents of the records of other cases, even when such have been tried or are pending in the same court, and notwithstanding the fact that both cases may have been heard or are actually pending before the same judge." This rule is hardly applicable. As the Sandiganbayan pointed out in its December 7, 2018 Resolution, petitioner requested that the same sets of witnesses, testimonies and documentary evidence that were presented at the bail application of Napoles be deemed

submitted in her (petitioner's) own application, subject to cross-examination of five selected witnesses. Thus, the evidence to which the Sandiganbayan referred were those already submitted to it in connection petitioner's bail application. As the same sets of witnesses, testimonies and documents regarding the same events and characters were submitted in both bail applications, and as this Court in *Napoles v. Sandiganbayan* had declared the credibility of these witnesses, the reliability of their testimonies and the evidentiary value of their documents, it would have been bizarre if the Sandiganbayan had compartmentalized those same evidence, and declared that as to the parts pertaining to petitioner, the witnesses were untrustworthy, their testimonies unconvincing and their documentary evidence untruthful.

8. ID.; ID.; ID.; BY STRONG EVIDENCE OF GUILT, THE LAW CONTEMPLATES MORE THAN EVIDENCE THAT ENGENDERS A BELIEF THAT A CRIME HAS PROBABLY BEEN COMMITTED AND THAT IT HAS BEEN COMMITTED BY THE ACCUSED; HOWEVER, IT IS LESS THAN EVIDENCE BEYOND REASONABLE DOUBT, BUT RATHER EVIDENT GUILT OR A GREAT PRESUMPTION OF GUILT SUCH AS WOULD LEAD A DISPASSIONATE JUDGE TO CONCLUDE THAT THE OFFENSE HAS BEEN COMMITTED AS CHARGED, THAT ACCUSED IS THE GUILTY AGENT, AND THAT ACCUSED WILL PROBABLY BE METED THE CAPITAL PUNISHMENT; FINDINGS OF THE SANDIGANBAYAN THAT THERE IS STRONG EVIDENCE OF PETITIONER'S GUILT, AFFIRMED.— By strong evidence of guilt, the law contemplates more than evidence that engenders a belief that a crime has probably been committed and that it has been committed by the accused. However, it is less than evidence beyond reasonable doubt, but rather evident guilt or a great presumption of guilt such as would lead a dispassionate judge to conclude that the offense has been committed as charged, that accused is the guilty agent, and that accused will probably be meted the capital punishment. The evidence to be considered is on 1) the existence of conspiracy involving petitioner; and 2) the commission of the acts ascribed to petitioner. x x x. x x x. The x x x arguments of petitioner fail to establish that the Sandiganbayan acted with grave abuse of discretion in concluding that there is strong evidence against petitioner. This Court in *Napoles v. Sandiganbayan* relied on the very same

testimony for it is axiomatic that investigation reports rendered by an official in the performance of official duties and on the basis of a personal examination and analysis of official documents and interpretation of the rules and regulations of the latter's office are accorded much weight. By extension, any testimony by said official regarding the procedure and findings in said reports is not hearsay. Such was the nature of Garcia's testimony to the effect that she conducted an audit of the PDAF funds of Senator Enrile and that she arrived at the findings that, without petitioner's letter, public funds would not have been plundered, that is, the funds would not have been released according to the scheme formulated by Napoles. Petitioner has not denied signing these letters or disputed the statement of Senator Enrile that she signed said letter. While at this point the testimonies of Tuason, Luy, Sula and Suñas do not directly establish that petitioner received the proceeds from the said funds, this gap is not enough to overcome a heightened presumption that petitioner partook of the ₱172,834,500.00 PDAF funds which, but for her letters, would not have been funneled into bogus projects. In sum, petitioner failed to establish on substantive grounds that the Sandiganbayan acted with grave abuse of discretion in finding strong evidence of her guilt.

APPEARANCES OF COUNSEL

Law Firm of Diaz Del Rosario & Associates for petitioner.
Office of the Special Prosecutor for respondents.

D E C I S I O N

REYES, J. JR., ***J.*****:**

Before the Court is the Petition for *Certiorari*[1] under Rule 65 of petitioner Jessica Lucila G. Reyes who ascribes to respondent Sandiganbayan, Third Division, grave abuse of discretion in issuing Resolution dated June 28, 2018 (hereinafter June 28 Resolution)[2] which denied her motion for bail *ad*

---

[1] *Rollo*, pp. 3-110.

[2] Penned by Associate Justice Bernelito R. Fernandez, with Associate

cautelam, and Resolution dated December 7, 2018 (hereinafter December 7 Resolution)[3] which similarly denied her motion for reconsideration and supplemental motion for reconsideration in SB-14-CRM-0238, entitled *People of the Philippines v. Juan Ponce Enrile*.

Relevant Facts and Proceedings

In 2014, petitioner and four other persons were arrested and charged for plunder based on the following Information filed by the Office of the Ombudsman:

In 2004 to 2010 or thereabout[s], in the Philippines, and within this Honorable Court's jurisdiction, above-named accused **JUAN PONCE ENRILE**, then a Philippine Senator, **JESSICA LUCILA G. REYES**, then Chief of Staff of Senator Enrile's Office, both public officers, committing the offense in relation to their respective offices, conspiring with one another and with **JANET LIM NAPOLES**, **RONALD JOHN LIM**, and **JOHN RAYMUND DE ASIS**, did then and there willfully, unlawfully, and criminally amass, accumulate, and/or acquire ill-gotten wealth amounting to at least ONE HUNDRED SEVENTY TWO MILLION EIGHT HUNDRED THIRTY FOUR THOUSAND FIVE HUNDRED PESOS (Php172,834,500.00) through a combination or series of overt criminal acts, as follows:

(a) by repeatedly receiving from NAPOLES and/or her representatives LIM, DE ASIS, and others, kickbacks or commissions under the following circumstances: before, during and/or after the project identification, NAPOLES gave, and ENRILE and/or REYES received, a percentage of the cost of a project to be funded from ENRILE'S Priority Development Assistance Fund (PDAF), in consideration of ENRILE'S endorsement, directly or through REYES, to the appropriate government agencies, of NAPOLES' non-government organizations which became the

---

Justice Amparo M. Cabotaje-Tang and Associate Justice Sarah Jane T. Fernandez, concurring; *id.* at 114-129.

[3] Penned by Associate Justice Amparo M. Cabotaje-Tang, with Associate Justice Sarah Jane T. Fernandez, Associate Justice Oscar C. Herrera, Jr. and Associate Justice Maryann E. Mañalac, concurring, and Associate Justice Bernelito R. Fernandez, dissenting; *id.* at 130-256.

recipients and/or target implementors of ENRILE'S PDAF projects, which duly-funded projects turned out to be ghosts or fictitious, thus enabling NAPOLES to misappropriate the PDAF proceeds for her personal gain;

(b) by taking undue advantage, on several occasions, of their official positions, authority, relationships, connections, and influence to unjustly enrich themselves at the expense and to the damage and prejudice, of the Filipino people and the Republic of the Philippines.

CONTRARY TO LAW.[4]

Over the period of 2014 through 2018, a number of incidents revolving around the sufficiency of the weight and value of the prosecution's testimonial and documentary evidence were resolved by this Court.

In *Reyes v. Hon. Ombudsman*[5] the Court upheld the findings of the Office of the Ombudsman and the Sandiganbayan that the allegations and evidence in SB-14-0328 engender probable cause to believe that petitioner 1) acted in conspiracy with her co-accused, and 2) committed one count of plunder and 15 counts of violation of Section 3 (e) of Republic Act (R.A.) No. 3019. The Court summarized the allegations against petitioner as follows:

Petitioners are all charged as co-conspirators for their respective participations in the anomalous Priority Development Assistance Fund (PDAF) scam, involving, as reported by whistle-blowers Benhur Luy (Luy), Marina Sula (Sula), and Merlina Suñas (Suñas), the illegal utilization and pillaging of public funds sourced from the PDAF of Senator Juan Ponce Enrile (Senator Enrile) for the years 2004 to 2010, in the total amount of ₱172,834,500.00 x x x Tersely put, petitioners were charged for the following acts:

(a) Reyes, as Chief of Staff of Senator Enrile during the times material to this case, for fraudulently processing the release of

---

[4] Resolution dated December 18, 2018; *id.* at 133-134.

[5] 783 Phil. 304 (2016).

> Senator Enrile's illegal PDAF disbursements — through: (1) project identification and cost projection; (2) preparation and signing of endorsement letters, project reports, and pertinent documents addressed to the Department of Budget and Management (DBM) and the Implementing Agencies (IAs); and (3) endorsement of the preferred JLN controlled Non-Government Organizations (NGOs) to undertake the PDAF-funded project — and for personally receiving significant portions of the diverted PDAF funds representing Senator Enrile's "share," "commissions," or "kickbacks" therefrom, as well as her own.[6] (Citations omitted)
>
> x x x x x x x x x

The evidence which the Court declared sufficient to establish probable cause that petitioner was part of a conspiracy and that she performed a central role in it are "records x x x that [petitioner] as Chief of Staff of Senator Juan Ponce Enrile (Senator Enrile), dealt with the parties involved; signed documents necessary for the immediate and timely implementation of the Senator's PDAF-funded projects that, however, turned out to be "ghost projects"; and repeatedly received "rebates," "commissions," or "kickbacks" for herself and for Senator Enrile representing portions of the latter's PDAF."[7] The Court adopted the following summary of the accounts of the whistle-blowers Luy, Sula, and Suñas regarding the participation of petitioner:

> [O]nce a PDAF allocation becomes available to Senator Enrile, his staff, in the person of either respondent **Reyes** or [Atty. Jose Antonio Evangelista, the then Deputy Chief of Staff of Senator Enrile], would inform Tuason of this development. Tuason, in turn, would relay the information to either Napoles or Luy. Napoles or Luy would then prepare a listing of the projects available where Luy would specifically indicate the implementing agencies. This listing would be sent to **Reyes** who would then endorse it to the DBM under her authority as Chief-of-Staff of Senator Enrile. After the listing is released by the Office of Senator Enrile to the DBM, Janet Napoles would give Tuason a down payment for delivery to Senator Enrile through Reyes. After the SARO and/or NCA is released, Napoles would give

[6] *Id.* at 317-318.

[7] *Id.*

Tuason the full payment for delivery to Senator Enrile through **Atty. Gigi Reyes**.[8]

The Court further held that the foregoing account "is corroborated in all respects by Tuason's verified statement," specifically the following pertinent parts:

11. . . . It starts with a call or advise from **Atty. Gigi Reyes** or Mr. Jose Antonio Evangelista (also from the Office of Senator Enrile) informing me that a budget from Senator Enrile's PDAF is available. I would then relay this information to Janet Napoles/Benhur Luy.

12. Janet Napoles/Benhur Luy would then prepare a listing of the projects available indicating the implementing agencies. This listing would be sent to **Atty. Gigi Reyes** who will endorse the same to the DBM under her authority as Chief-of-Staff of Senator Enrile.

13. After the listing is released by the Office of Senator Enrile to the DBM, Janet Napoles would give me a down payment for delivery for the share of Senator Enrile through **Atty. Gigi Reyes**.

14. After the SARO and/or NCA is released, Janet Napoles would give me the full payment for delivery to Senator Enrile through **Atty. Gigi Reyes**.

15. Sometimes Janet Napoles would have the money for Senator Enrile delivered to my house by her employees. At other times, I would get it from her condominium in Pacific Plaza or from Benhur Luy in Discovery Suites. When Benhur Luy gives me the money, he would make me scribble on some of their vouchers [or] even sign under the name "Andrea Reyes," [Napoles's] codename for me. This is the money that I would deliver to Senator Enrile through **Atty. Gigi Reyes**.

16. I don't count the money I receive for delivery to Senator Enrile. I just receive whatever was given to me. The money was all wrapped and ready for delivery when I get it from Janet Napoles or Benhur Luy. For purposes of recording the transactions, I rely on the accounting records of Benhur Luy for the PDAF of Senator Enrile, which indicates the date, description and amount of money I received for delivery to Senator Enrile.

---

[8] *Id.* at 338.

x x x x x x x x x

18. As I have mentioned above, I personally received the share of Senator Enrile from Janet Napoles and Benhur Luy and I personally delivered it to Senator Enrile's Chief-of-Staff, **Atty. Gigi Reyes**. Sometimes she would come to my house to pick up the money herself. There were also instances when I would personally deliver it to her when we would meet over lunch. There were occasions when Senator [Enrile] would join us for a cup of coffee when he would pick her up. For me, his presence was a sign that whatever **Atty. Gigi Reyes** was doing was with Senator Enrile's blessing.

x x x x x x x x x

25. Initially, I was in-charge of delivering the share of Senator Enrile to **Atty. Gigi Reyes**, but later on, I found out that Janet Napoles dealt directly with her. Janet Napoles was able to directly transact business with **Atty. Gigi Reyes** after I introduced them to each other. This was during the Senate hearing of Jocjoc Bolante in connection with the fertilizer fund scam. Janet Napoles was scared of being investigated on her involvement, so she requested me to introduce her to **Atty. Gigi Reyes** who was the Chief of Staff of the [sic] Senate President Enrile. (Emphases supplied, in the original, and citation omitted)[9]

The Court then concluded that, on the basis of the foregoing evidence, there is probable cause to charge petitioner:

Indeed, these pieces of evidence are already sufficient to engender a well-founded belief that the crimes charged were committed and Reyes is probably guilty thereof as it remains apparent that: *(a)* Reyes, a public officer, connived with Senator Enrile and several other persons (including the other petitioners in these consolidated cases as will be explained later) in the perpetuation of the afore-described PDAF scam, among others, in entering into transactions involving the illegal disbursement of PDAF funds; *(b)* Senator Enrile and Reyes acted with manifest partiality and/or evident bad faith by repeatedly endorsing the JLN-controlled[10] NGOs as beneficiaries of his PDAF without the benefit of public bidding and/or negotiated procurement in violation of existing laws, rules, and regulations on government

---

[9] *Id.* at 338-339.

[10] JLN refers to Janet Lim Napoles Corporation.

procurement; *(c)* the PDAF-funded projects turned out to be inexistent; *(d)* such acts caused undue injury to the government, and at the same time, gave unwarranted benefits, advantage, or preference to the beneficiaries of the scam; and *(e)* Senator Enrile, through Reyes, was able to accumulate and acquire ill-gotten wealth amounting to at least ₱172,834,500.00.[11] (Citation omitted)

The foregoing conclusions of the Court took into account the issues raised by petitioner that the evidence against her are weak and insufficient. The accounts of the whistle-blowers are hearsay and unsubstantiated as they "merely mentioned her name in general terms but did not positively declare that they saw or talked with her at any time or that they had seen her receive money from Janet Napoles or anyone else connected with the latter." Even her purported "signatures found on the documentary evidence presented were forged, falsified, and fictitious."[12] The Court addressed these issues, thus:

Assuming *arguendo* that such whistleblower accounts are merely hearsay, it must be reiterated that — as held in the *Estrada* case — probable cause can be established with hearsay evidence, so long as there is substantial basis for crediting the same. As aforestated, the *modus operandi* used in advancing the PDAF scam as described by the whistle-blowers was confirmed by Tuason herself, who admitted to having acted as a liaison between Janet Napoles and the office of Senator Enrile. The Ombudsman further pointed out that the collective statements of Luy, Sula, Suñas, and Tuason find support in the following documentary evidence: *(a)* the business ledgers prepared by witness Luy, showing the amounts received by Senator Enrile, through Tuason and Reyes, as his "commission" from the so-called PDAF scam; (b) the 2007-2009 Commission on Audit (COA) Report documenting the results of the special audit undertaken on PDAF disbursements — that there were serious irregularities relating to the implementation of PDAF-funded projects, including those endorsed by Senator Enrile; and *(c)* the reports on the independent field verification conducted in 2013 by the investigators of the FIO which secured sworn statements of local government officials and purported beneficiaries of the supposed projects which turned out to be inexistent.

---

[11] *Id.* at 340-341.

[12] *Id.* at 341.

Clearly, these testimonial and documentary evidences are substantial enough to reasonably conclude that Reyes had, in all probability, participated in the PDAF scam and, hence, must stand trial therefor.

x x x x x x x x x

Finally, anent Reyes's claim that her signatures in the documentary evidence presented were false, falsified, and fictitious, it must be emphasized that "[a]s a rule, forgery cannot be presumed and must be proved by clear, positive[,] and convincing evidence and the burden of proof lies on the party alleging forgery. The best evidence of a forged signature in the instrument is the instrument itself reflecting the alleged forged signature. The fact of forgery can only be established by comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized upon to have been forged." Here, Reyes has yet to overcome the burden to present clear and convincing evidence to prove her claim of forgery, especially in light of the following considerations pointed out by the Office of the Solicitor General in its Comment on the petition in **G.R. Nos. 212593-94**: *(a)* in a letter dated March 21, 2012 addressed to the COA, Senator Enrile himself admitted that his signatures, as well as those of Reyes, found on the documents covered by the COA's Special Audit Report are authentic; and *(b)* Rogelio Azores, the supposed document examiner who now works as a freelance consultant, aside from only analyzing photocopies of the aforesaid documents and not the originals thereof, did not categorically state that Reyes's signatures on the endorsement letters were forged. As there is no clear showing of forgery, at least at this stage of the proceedings, the Court cannot subscribe to Reyes's contrary submission. Notably, however, she retains the right to raise and substantiate the same defense during trial proper.[13] (Citations omitted)

Meanwhile, in *Enrile v. Sandiganbayan*,[14] the Court ordered the provisional release of co-accused Enrile on account of the latter's frail health, without addressing the issue of whether there is strong evidence against said accused. On the other hand, in *Napoles v. Sandiganbayan*,[15] this Court upheld the denial

---

[13] *Id.* at 341-342, 347-348.

[14] 767 Phil. 147 (2015).

[15] G.R. No. 224162, November 7, 2017.

of the bail application of co-accused Napoles in view of strong evidence as to 1) the existence of a conspiracy to commit plunder involving Napoles and her co-accused, and 2) Napoles' commission of acts of plunder and corruption. The conclusion of the Court on the existence of conspiracy reads:

> Seeing as it would be difficult to provide direct evidence establishing the conspiracy among the accused, the Sandiganbayan may infer it "from proof of facts and circumstances which, taken together, apparently indicate that they are merely parts of some complete whole." It was therefore unnecessary for the Sandiganbayan to find direct proof of any agreement among Napoles, former Senator Enrile and Reyes. The conspiracy may be implied from the intentional participation in the transaction that furthers the common design and purpose. As long as the prosecution was able to prove that two or more persons aimed their acts towards the accomplishment of the same unlawful object, each doing a part so that their combined acts, though apparently independent, were in fact connected and cooperative, indicating a closeness of personal association and a concurrence of sentiment, the conspiracy may be inferred even if no actual meeting among them was proven.
>
> Here, the implied conspiracy among Napoles and her co-accused was proven through various documentary and testimonial evidence showing that they acted towards the common goal of misappropriating the PDAF of former Senator Enrile.[16] (Citations omitted)

The "interlocking evidence" of implied conspiracy to which the Court referred consisted of the testimony of Garcia regarding the *modus operandi* whereby the PDAF of Senator Enrile were released to bogus non-government organizations for ghost projects;[17] the testimonies of the local officials whose local government units were designated as beneficiaries but never received any of the proceeds of the projects; the testimonies of the whistle-blowers regarding their own participation in the scheme; and the testimony of Tuason that she "personally met with Napoles to negotiate the respective shares of the conspirators, and received the amount on behalf of former Senator

---

[16] *Id.*

[17] *Id.*

Enrile, which she subsequently turned over to Reyes."[18] In view of this evidence, the Court concluded:

> It is plain from the foregoing that Napoles and her co-accused, as well as the former employees of Napoles who were eventually admitted as State witnesses, had a common design and objective — to divert the PDAF of former Senator Enrile from its lawful purpose and to their own personal accounts. **The individuals involved in this case performed different criminal acts, which contributed, directly or indirectly, in the amassing, accumulation, and acquisition of ill-gotten wealth.** Consistent with the doctrine on implied conspiracy, these actions on the part of Napoles and her co-accused are sufficient to prove the existence of a "concurrence in sentiment," regardless of any proof that an actual agreement took place.[19]

Prior to the release of the decision of the Court in *Napoles v. Sandiganbayan*, herein petitioner applied for bail on May 30, 2017.[20] Respondent Sandiganbayan, Third Division, denied the application in the assailed June 28, 2018 Resolution, thus:

> **WHEREFORE**, premises considered, the Motion for Bail *ad cautelam* dated May 29, 2017 filed by accused-movant Atty. Jessica Lucia G. Reyes, through counsel, is hereby **DENIED** for lack of merit.[21]

Petitioner's motion for reconsideration and supplemental motion for reconsideration were denied in the assailed December 7, 2018 Resolution.[22]

Issues and Arguments

Petitioner seeks the reversal of the resolutions of the Sandiganbayan on the following grounds:

I

THE RESPONDENT COURT GRIEVOUSLY ERRED IN FINDING THE TESTIMONY OF THE PROSECUTION'S PRINCIPAL

---

[18] *Id.*

[19] *Id.*

[20] *Rollo*, p. 10.

[21] Resolution, June 28, 2018, p. 16; *id.* at 129.

[22] Resolution, December 7, 2018, p. 253; *id.* at 256.

WITNESS, RUBY TUASON, AS STRONG EVIDENCE THAT PETITIONER REYES COMMITTED THE CRIME OF PLUNDER OR CONSPIRED TO COMMIT THAT CRIME WITH HER CO-ACCUSED, HER [TUASON'S] TESTIMONY BEING VAGUE, INCONCLUSIVE, UNCORROBORATED AND WORSE, CONTRADICTED BY OTHER EVIDENCE OF THE PROSECUTION.

A. The respondent Court erred in holding that some payments were made by Ruby Tuason in the house of Petitioner Reyes because in truth, Ruby Tuason never made any such claim.

B. Tuason's bare and general claim that Petitioner Reyes received various unspecified sums from her is vague, inconclusive and totally uncorroborated by any evidence of the Prosecution;

C. The respondent Court failed to consider established facts and circumstances extant from the Prosecution's evidence which additionally rendered the testimony of Tuason unreliable and not worthy of belief.

II

THE TESTIMONY OF COA COMMISSIONER SUSAN GARCIA THAT THE ENDORSEMENT LETTERS ATTRIBUTED TO PETITIONER REYES "ACTUALLY TRIGGERED THE START OF THIS SO-CALLED 'PORK BARREL SCAM'" IS HEARSAY AND INCONSISTENT WITH HER OWN TESTIMONY BECAUSE FAR FROM PRECIPITATING ANY EVENT, THE EVIDENCE SHOW THAT THE PDAF FUNDS OF SENATOR ENRILE WERE PROCESSED, RELEASED AND DISBURSED EVEN WITHOUT PETITIONER REYES' SUPPOSED LETTERS.

III

THE RESPONDENT COURT COMMITTED GRAVE ABUSE OF DISCRETION IN FAILING TO RESOLVE (1) PETITIONER REYES' MOTION FOR BAIL *AD CAUTELAM* WITHIN THE REGLEMENTARY PERIOD OF NINETY (90) DAYS FROM DATE OF SUBMISSION MANDATED IN SECTION 6 OF PD NO. 1606 AND IN SETTLED JURISPRUDENCE; AND (2) PETITIONER REYES' MOTION FOR RECONSIDERATION AND SUPPLEMENTAL MOTION FOR RECONSIDERATION WITHIN THE NON-EXTENDIBLE PERIOD OF TEN (10) CALENDAR DAYS FROM DATE OF SUBMISSION

OF THE MOTION MANDATED IN SUBHEADING III, ITEM 10(a) OF A.M. NO. 15-06-10-SC, OR THE REVISED GUIDELINES FOR CONTINUOUS TRIAL OF CRIMINAL CASES.

IV

THE RESPONDENT COURT COMMITTED GRAVE ABUSE OF DISCRETION IN DENYING PETITIONER REYES BAIL BY PRINCIPALLY ADOPTING BY REFERENCE, THE PRONOUNCEMENTS AND FINDINGS MADE BY THIS HONORABLE COURT IN ITS DECISION DATED 7 NOVEMBER 2017 IN G.R. NO. 224162 ENTITLED "*JANET LIM NAPOLES V. SANDIGANBAYAN (THIRD DIVISION)*," A CASE INVOLVING ACCUSED NAPOLES' PETITION FOR BAIL.

A. In the adjudication of cases pending before it, whether criminal or civil, the respondent Court cannot take judicial notice of the contents of the records of other cases, even when such cases have been tried or are actually pending before the respondent Court.

B. The Court Order granting or denying bail should be based on the evidence presented at the bail hearing.

C. Petitioner Reyes cannot and should not be prejudiced by the respondent Court's adverse ruling on the **Petition for Bail** filed by accused Napoles subject of the **Resolutions dated 16 October 2015 and 2 March 2016**, which was affirmed by this Honorable Court in G.R. No. 224162, Petitioner Reyes being a stranger to both proceedings.

V

IN ITS ASSAILED RESOLUTIONS DATED *28 JUNE 2018 AND 7 DECEMBER 2018*, THE RESPONDENT COURT ADOPTED BY REFERENCE NOT ONLY THE TESTIMONIES OF THE FOURTEEN (14) OTHER PROSECUTION WITNESSES ACCEPTED BY PETITIONER REYES, BUT THE TESTIMONIES OF THE FIVE (5) PROSECUTION WITNESSES WHOM COUNSEL FOR PETITIONER REYES RESERVED FOR CROSS-EXAMINATION. THE TESTIMONIES OF THESE NINETEEN (19) PROSECUTION WITNESSES DO NOT SUBSTANTIATE, BUT IN FACT NEGATE, THE RESPONDENT COURT'S FINDING THAT THERE IS [EVIDENT PROOF] THAT PETITIONER REYES

PARTICIPATED IN THE PDAF SCHEME AND MUST NECESSARILY BE DENIED TEMPORARY LIBERTY.

VI

THE RESPONDENT COURT COMMITTED GRAVE ABUSE OF DISCRETION IN ISSUING THE ASSAILED RESOLUTION DATED *28 JUNE 2018* WHICH IS DEFECTIVE IN FORM AND SUBSTANCE IN THAT IT DID NOT CONTAIN A COMPLETE SUMMARY OF THE EVIDENCE OFFERED BY THE PROSECUTION, ON THE BASIS OF WHICH THE HONORABLE COURT FORMULATED ITS OWN CONCLUSION AS TO WHETHER OR NOT THE EVIDENCE SO PRESENTED IS STRONG ENOUGH TO INDICATE THE GUILT OF PETITIONER REYES FOR THE CRIME OF PLUNDER CHARGED.

VII

IN ISSUING THE ASSAILED *RESOLUTIONS*, THE RESPONDENT COURT ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN THAT IT DISREGARDED THE TESTIMONIAL AND DOCUMENTARY EVIDENCE PRESENTED BY THE PROSECUTION DURING THE BAIL HEARINGS ON PETITIONER REYES' *MOTION FOR BAIL AD CAUTELAM* WHICH NEGATE THE RESPONDENT COURT'S FINDING THAT PETITIONER REYES "ACTED TOWARDS THE COMMON GOAL OF MISAPPROPRIATING THE PDAF OF FORMER SENATOR ENRILE."

IX

THE RESPONDENT COURT COMMITTED GRAVE ABUSE OF DISCRETION IN MERELY COPYING WITHOUT MORE, THIS HONORABLE COURT'S RULING IN ITS *DECISION DATED 7 NOVEMBER 2017* IN G.R. NO. 224162 ON THE PRESENCE OF AN "IMPLIED CONSPIRACY AMONG ACCUSED NAPOLES AND HER CO-ACCUSED." IT IS WELL-SETTLED THAT CONSPIRACY MUST BE PROVED CLEARLY AND CONVINCINGLY AS THE COMMISSION OF THE OFFENSE ITSELF FOR IT IS A FACILE DEVICE BY WHICH AN ACCUSED MAY BE ENSNARED AND KEPT WITHIN THE PENAL FOLD.[23]

---

[23] Petition, *rollo*, pp. 19-23.

Ruling

The petition lacks merit.

Procedural Grounds

Petitioner would have the Court set aside the resolution denying her bail application, and issue an order setting her provisionally free on the ground that the Sandiganbayan acted with grave abuse of discretion in taking more than five months to issue said resolution, thereby violating the three-month period prescribed under Section 6 of Presidential Decree 1606, and more than five months to resolve her motion for reconsideration and supplemental motion for reconsideration, thereby violating the 10-day non-extendible period prescribed under Part III, Section 10 (a) of A.M. No. 15-06-10-SC[24] (Revised Guidelines for Continuous Trial of Criminal Cases).[25]

In other words, petitioner refers to the delay in only one segment of the proceedings in SB-14-CRM-0238, that is, her bail application, and argues that said delay constitutes a violation of her right to speedy disposition, which violation in turn warrants a reversal of the resolutions of the Sandiganbayan denying her bail application. Petitioner does not argue that the delay stalled the entire trial, or that the consequent violation of her right to speedy disposition deprived the Sandiganbayan of jurisdiction as would warrant the dismissal of the entire case against her.

In addition, petitioner questions the sparse discussion of the facts and the law in the assailed resolutions.[26]

The Court holds that delay in one segment which does not stall the main proceedings in the entire case does not give rise to a violation of the right of a party to speedy trial or disposition; much less, when the delay in one segment can be attributed to the conduct of said party of swarming the court with other incidental motions and petitions that can sap its time and

---

[24] Effective September 21, 2017.

[25] Petition, pp. 72-73; *rollo*, pp. 53 (74)-54 (75).

[26] *Id.* at 95-101; *id.* at 76 (97)-82 (103).

attention. Moreover, petitioner asks too much of bail proceedings, which need not be comprehensive or detailed, for all that is required is a mere summary treatment of a limited question of whether there is strong evidence against the bail applicant.[27]

Segment delay *vis-à-vis* delay in the totality of a case

In several cases where it exercised administrative supervision, the Court imposed sanctions on judges for failing to resolve the main[28] or incidental and interlocutory[29] issues in criminal[30] and civil[31] cases within either the fixed period prescribed by law[32] or the rules of court[33] or, where no period is prescribed, within a reasonable time.[34] While in these administrative cases the Court declared that the delay constituted a violation of the right of a party to speedy trial or disposition, it characterized the inaction, for periods varying from two[35] to 10[36] years, of the respondent judges as mere breach of duty,[37]

---

[27] *Revilla, Jr. v. Sandiganbayan (First Division)*, G.R. Nos. 218232, 218235, 218266, 218903 & 219162, July 24, 2018.

[28] *Bernardo v. Judge Fabros*, 366 Phil. 485 (1999).

[29] *Spouses Sustento v. Lilagan*, 782 Phil. 270 (2016); *Alminaza v. Pagapong-Agraviador*, A.M. No. RTJ-16-2445 (Formerly OCA I.P.I. No. 14-4323-RTJ) (Notice), January 25, 2016; *Bacolot v. Hon. Judge Paño*, 660 Phil. 303 (2011); *Blanco v. Judge Andoy* (Resolution), 581 Phil. 302 (2008).

[30] *Moncada v. Judge Cervantes* (Resolution), 529 Phil. 1-8 (2006).

[31] *Angelia v. Judge Grageda* (Resolution), 656 Phil. 570 (2011).

[32] Re: Problem of Delays in Cases Before the Sandiganbayan (Resolution), 422 Phil. 246 (2001).

[33] *Spouses Eson v. Acosta* (Notice), March 25, 2019.

[34] *Atty. Beltran, Jr. v. Judge Paderanga*, 455 Phil. 227 (2003).

[35] *Bangco v. Gatdula*, 428 Phil. 598 (2002).

[36] *Bulan v. Cardenas*, 189 Phil. 596 (1980).

[37] *Id.*

undue[38] or unreasonable[39] delay, or gross inefficiency,[40] rather than as grave or ordinary abuse of authority or discretion as defined in administrative cases.[41] Moreover, the cases or motions were merely ordered to be resolved with dispatch.[42]

On the other hand, in a number of civil,[43] criminal[44] or administrative cases,[45] the Court has declared that delay which is oppressive, capricious and vexatious[46] constitutes a violation of the right of a party to speedy trial or disposition. In those cases, the delay took place during either the preliminary investigation stage,[47] the trial stage[48] or the resolution of a mere incidental or interlocutory matter.[49] Moreover, the consequent

---

[38] *Hebron v. Garcia II* (Resolution), 698 Phil. 615-626 (2012); *Arquero v. Judge Mendoza*, 374 Phil. 105 (1999).

[39] *Hon. Bonilla v. Hon. Gustilo* (Resolution), 399 Phil. 16 (2000).

[40] *Re: Irma Zita V. Masamayor* (Resolution), 374 Phil. 556 (1999); *Office of the Court Administrator v. Guiling*, A.M. No. RTJ-19-2549, June 18, 2019.

[41] There is abuse of authority where "the inefficiency springs from a failure to recognize such a basic and fundamental rule, law, or principle x x x [such that] the judge is either too incompetent and undeserving of the position and title vested upon him, or he is too vicious that he deliberately committed the oversight or omission in bad faith and in grave abuse of authority." See *Office of the Court Administrator v. Dumayas*, A.M. No. RTJ-15-2435, March 6, 2018.

[42] *Bernaldez v. Avelino* (Resolution), 553 Phil. 685-697 (2007); *Bacolot v. Hon. Judge Paño, supra* note 29.

[43] *Regner v. Logarta*, 562 Phil. 862 (2007).

[44] *Villa v. Fernandez*, G.R. No. 219548, October 17, 2018.

[45] *Navarro v. Commission on Audit Central Office*, G.R. No. 238676, November 19, 2019.

[46] *Mercado v. Santos*, 66 Phil. 215 (1938).

[47] *People v. Sandiganbayan* (Second Division), G.R. No. 232737, October 2, 2019.

[48] *Magno v. People*, G.R. No. 230657, March 14, 2018.

[49] *People v. Sandiganbayan* (First Division), G.R. Nos. 233557-67, June 19, 2019; *Magno v. People, supra*.

violation of the right to speedy trial or disposition warranted the ouster of the court of jurisdiction and the dismissal of the cases.[50]

It is notable that even where the delay occurred in only one segment involving the proceedings on or the resolution of an interlocutory matter, the resulting violation of the right to speedy trial or disposition led to the dismissal of the entire case.[51] However, in those instances, the Court assessed the delay in one segment in relation to the totality of the trial or disposition of the case, and found that the segment delay stalled the entire case.

In the present petition, there is no doubt that the Sandiganbayan incurred delay in one segment for it failed to resolve an interlocutory matter within the period prescribed by law and the rules of court.[52] However, there is no allegation much less evidence by petitioner that this segment delay stalled the entire proceedings in a way that is vexatious, capricious and oppressive. On the contrary, petitioner and her co-accused saddled the Sandiganbayan with numerous and simultaneous incidents that, in the long-run, had the effect of slowing it down as it attends to these various incidents and, at the same time, resolve the main case.

Reason for the delay in the trial of a case or the disposition of an incident therein is among the four indicators of whether such delay is oppressive and vexatious as to amount to a violation of the right of a party to speedy trial or disposition.[53] This

---

[50] *People v. Macasaet*, G.R. Nos. 196094, 196720 & 197324, March 5, 2018.

[51] *Supra* note 49.

[52] *Pagdanganan v. Court of Appeals*, G.R. No. 202678, September 5, 2018.

[53] The other tests the length of delay; accused's assertion or non-assertion of his right to speedy trial; and prejudice caused to the accused resulting from the delay. See *People v. Macasaet, supra* note 50; *Remulla v. Sandiganbayan (Second Division)*, 808 Phil. 739-762 (2017); *People v. Leviste*, 325 Phil. 525 (1996).

particular test entails an examination of the conduct of the court and the parties in both the main case and the specific segments.[54]

As explained by the Sandiganbayan in its December 7, 2018 Resolution, the delay was due to the need for the *ponente*, who had just been appointed and was fresh to the case, to examine the 17 volumes of pleadings and motions and the testimonies of 19 witnesses who had been presented before the Sandiganbayan as well as the Philippine Senate.[55] Moreover, after the *ponente* prepared the draft resolution, this was circulated among the other two members of the court. Meanwhile, the main case, proceeded apace even as several other incidents also had to be resolved. The Court takes cognizance of these other incidents as most of them were elevated to it for review. It therefore takes into consideration that the members of respondent court had to address simultaneously, not just the main case, but also the various incidents that were initiated by petitioner and her co-accused.[56]

Thus, set against the pace of the entire proceedings in SB-14-CRM-0238, the delay in the segment involving petitioner's bail application is not unreasonable. As the Ombudsman argued in its Comment, taking into account practical considerations, the delay does not amount to a violation of the right of petitioner to speedy disposition.[57] It does not warrant a declaration that the Sandiganbayan acted with grave abuse of discretion in issuing the resolutions.

Sufficiency of resolutions on bail applications

Moreover, as bail applications pertain to a collateral issue, and the proceedings thereon are summary in nature and "avoid unnecessary thoroughness,"[58] the resolution denying or granting

---

[54] *Magante v. Sandiganbayan (Third Division)*, G.R. Nos. 230950-51, July 23, 2018; *Mendoza-Ong v. Sandiganbayan*, 483 Phil. 451 (2004).

[55] Resolution, December 7, 2018, pp. 252-253; *rollo*, p. 255 (dorsal portion).

[56] *Id.*

[57] *Id.* 314-316.

[58] *People v. Escobar*, 814 Phil. 840, 861 (2017).

bail need not be detailed or exhaustive. In fact, an exhaustive treatment of the evidence runs the risk of preempting the outcome of the substantive issues of the main case. A resolution is sufficient if it informs the applicant and oppositor of the facts and the law that form the basis of the denial or grant of bail.

The June 28, 2018 Resolution is sufficient. It apprises the parties of the facts and the evidence relied upon by the Sandiganbayan. Though not detailed, the narrative and discussion inform the applicant of the outcome and explain the reasons therefor. Moreover, whatever details petitioner may have found wanting in the June 28, 2018 Resolution, the Sandiganbayan supplied in its December 7, 2018 Resolution in which 240 pages were devoted to poring over and weighing the prosecution's evidence.[59]

In sum, petitioner failed to establish that, on procedural grounds, the Sandiganbayan acted with grave abuse of discretion.

Substantive Grounds

On the bases of the substantive grounds raised by petitioner, the issues to be resolved by the Court are as follows:

The first issue is whether or not the Sandiganbayan committed grave abuse of discretion in invoking and applying the findings and rulings of the Court in *Napoles v. Sandiganbayan* to resolve the bail application of petitioner. This issue underlies the fourth and eighth grounds raised by petitioner.

The second issue is whether or not the Sandiganbayan committed grave abuse of discretion in declaring that the prosecution presented strong evidence of the guilt of petitioner. This issue underlies the first, second, fifth and seventh grounds raised by petitioner.

The Court holds that its findings and conclusions in *Napoles v. Sandiganbayan* regarding the strength of the evidence on the existence of conspiracy and the commission of acts of plunder and corruption by Napoles are not binding on the right to bail

---

[59] Resolution, December 7, 2018, pp. 12-252.

of petitioner. The Sandiganbayan was mistaken when it applied these findings and conclusions wholesale to resolve the bail application of petitioner. Nonetheless, the Court's definition of the legal rule regarding the type of evidence necessary to establish conspiracy is the law of the case that shall govern even petitioner's bail application. Moreover, the Court's assessment of the credibility of the witnesses and the reliability of their testimonies is relevant. Finally, the Court notes that the Sandiganbayan arrived at its own determination that there is strong evidence that petitioner was in conspiracy with her co-accused and that she committed the acts of plunder and corruption for which she was charged. This assessment is well-founded. Thus, the Sandiganbayan did not act with grave abuse of discretion in declaring that there is strong evidence of the guilt of petitioner, and in denying her bail application.

First issue: applicability of *Napoles v. Sandiganbayan*

In its Resolution dated June 28, 2018, the Sandiganbayan held that while the Decision of this Court in *Napoles v. Sandiganbayan* pertains to the bail application of Napoles, nonetheless there is "no sound reason not to adopt the same" given that the conclusions in said case "delve not only directly on the facts of this [Reyes'] case but also substantively on the testimonies given by the prosecution witnesses recalled by accused-movant Reyes."[60] To ignore *Napoles v. Sandiganbayan*, is to "render inadequate any findings" on petitioner's bail application.[61]

Accordingly, on the question of the existence of conspiracy, the Sandiganbayan adopted the findings and conclusions of this Court in *Napoles v. Sandiganbayan* that "the implied conspiracy among Napoles and [her] co-accused was proved through various documentary and testimonial evidence showing that they acted towards the common goal of misappropriating the PDAF of former Senator Enrile."[62] On the question of the

[60] *Supra* note 2.

[61] *Id.* at 14.

[62] *Id.*

strength of the testimonies of the witnesses as evidence regarding the commission of the acts of plunder, the Sandiganbayan relied on the following rulings of this Court in said case:

First, that "the respective testimonies of Commissioner Garcia and the supposed beneficiaries were corroborated on material points by the whistleblowers";[63] and

Second, that the testimonies of the whistleblowers "were consistent, clear, and corroborative of each other" and that "[o]ther testimonial and documentary evidence also substantiated the veracity of the whistleblowers' statements during the bail hearing [on Napoles' application]."[64]

The Sandiganbayan overruled the objection of petitioner to the direct application of the ruling of this Court in *Napoles v. Sandiganbayan*. According to the Sandiganbayan as co-conspirator petitioner was indicted based on the same set of facts and evidence presented against Napoles.[65] Even the evidence presented at the bail hearing of petitioner were exactly those that were cited in *Napoles v. Sandiganbayan*.[66] At said hearing, petitioner accepted the testimonies of the prosecution witnesses who were presented at Napoles' bail hearing, except the testimonies of Garcia, Sula, Suñas, Luy and Tuason.[67] As to the testimonies of the five witnesses, the Court's ruling in *Napoles v. Sandiganbayan* is that these are reliable, consistent, clear and corroborative of each other."[68]

Petitioner argues before this Court that the Sandiganbayan acted with grave abuse of discretion when it took judicial notice of the contents of the records of another case[69] to which petitioner

---

[63] *Id.*

[64] *Id.*

[65] Resolution, December 7, 2018, p. 126.

[66] *Id.*

[67] *Id.* at 10-11.

[68] *Id.* at 242-243.

[69] Petitioner, *rollo*, pp. 61-62.

is a stranger.[70] Even the finding of conspiracy in *Napoles v. Sandiganbayan* is not binding on petitioner, for conspiracy must be proved by evidence of overt act separate from the crime itself.[71]

Both parties are partly mistaken.

Inapplicability of *res judicata* and conclusiveness of judgment

This Court has adopted two mechanisms to enforce the principle of estoppel and bar the relitigation of issues between the same parties or their privies regarding a right, fact or matter that have been fully and finally adjudicated upon.

The doctrine of *res judicata* under Section 47 (b), Rule 39, Rules of Court bars a second case on the basis of a former final judgment if the following elements are present: there is a former final judgment that was rendered on the merits; the court in the former judgment had jurisdiction over the subject matter and the parties; and there is identity of parties, subject matter and cause of action between the first and second cases.[72] Conclusiveness of judgment under Section 47 (c) operates under the same element, except that there is identity only of issues and parties, but not of causes of action.[73] For this reason, except in those instances allowed under the law or rules of court,[74] a former final judgment rendered by a competent court in another action between the same parties based on a different claim or cause of action will not bar a second case; however, as said former final judgment is conclusive, "any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by

---

[70] *Id.* at 66-68.

[71] *Id.* at 98-99.

[72] *Ley Construction & Development Corp. v. Philippine Commercial and International Bank*, 635 Phil. 503-514 (2010).

[73] *Gomeco Metal Corp. v. Court of Appeals*, G.R. No. 202531, August 17, 2016; *Spouses Noceda v. Arbizo-Directo*, 639 Phil. 483-494 (2010).

[74] See *Chiok v. People*, G.R. Nos. 179814 & 180021, December 7, 2015.

the judgment therein, and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same."[75]

Res judicata applies to civil cases[76] while conclusiveness of judgment has been applied also to criminal cases and administrative cases.[77] However, neither is an appropriate device for grafting this Court's findings and conclusions in *Napoles v. Sandiganbayan* unto SB-14-CRM-0238, whether in the main proceedings or incidental proceedings. Our decision in *Napoles v. Sandiganbayan* attained finality but it is not the final say on the matter of conspiracy or commission of plunder by Napoles or her co-accused. Our decision pertained to an interlocutory order denying the bail application of Napoles. Being interlocutory, the order is not immutable for it remains under the control of the Sandiganbayan to maintain or change, depending on new developments in the presentation of evidence before it.[78]

Law of the case

The concept of law of the case is more appropriate, for our decision in *Napoles v. Sandiganbayan* declared a legal rule that is controlling of the determination of the existence of conspiracy among the accused in SB-14-CRM-0238.[79] As quoted earlier, this legal rule is that the conspiracy need not be established by

---

[75] *Francisco v. Co*, 516 Phil. 588-604 (2006); *Pacasum, Sr. v. Zamoranos*, 807 Phil. 783-794 (2017).

[76] *Tecson v. Sandiganbayan*, 376 Phil. 191-204 (1999). In criminal cases, the applicable principle is *res judicata* in prison grey or double jeopardy. See *Trinidad v. Office of the Ombudsman*, 564 Phil. 382-396 (2007).

[77] *Co v. People*, 610 Phil. 60-71 (2009); *Constantino v. Sandiganbayan*, G.R. No. 140656, 13 September 2007, 533 SCRA 205.

[78] *Philippine National Bank v. Urieta*, G.R. No. 180264 (Notice), September 25, 2019.

[79] *Development Bank of the Phils. v. Guariña Agricultural & Realty Development Corp.*, 724 Phil. 209-226 (2014).

direct evidence. Rather, it can be inferred from the totality of the facts and circumstances regarding their participation that they pursued a common design and purpose. No direct proof of agreement is necessary.

This rule shall govern the determination of whether there is strong evidence of the involvement of petitioner in the conspiracy to commit plunder and corruption by causing the release of the PDAF for ghost projects and the diversion of the funds to the accused persons. It should be emphasized that applying to petitioner's bail application the foregoing law of the case as defined in *Napoles v. Sandiganbayan* is quite different from denying petitioner's bail application because, as held in *Napoles v. Sandiganbayan*, the prosecution had presented strong evidence against Napoles and, by extension, her co-conspirators.

Relevance of *People v. Escobar*

Moreover, the Court is aware that in *People v. Escobar*[80] the provisional release of the alleged co-conspirators of Manuel Escobar was regarded as "a new development" which warranted the grant of the latter's second bail application. One particular new matter was that, due to the weakness of the testimony of the state witness, Rolando Fajardo, an alleged co-conspirator and adviser of the kidnap-for-ransom group, was released on bail.[81] As the testimony of this state witness was declared unreliable, and said testimony is the basis of Rolando's and Escobar's "alleged participation in the crime,"[82] the Court held that the continued refusal by the trial court to provisionally release Escobar was a violation of the latter's fundamental rights and liberty.[83]

Thus, though not binding, the findings and conclusions of this Court in *Napoles v. Sandiganbayan* regarding the strength

---

[80] 814 Phil. 840-864 (2017).

[81] *Id.*

[82] *Id.*

[83] *Id.*

of the evidence of the prosecution on the existence of conspiracy involving Napoles and her co-accused, and the commission of acts of plunder and corruption by Napoles, must be taken into account by the Sandiganbayan for purposes of a complete assessment of the credibility of the witnesses and the reliability of their testimonies.

Petitioner invoked *Occidental Land Transportation v. Court of Appeals*[84] that courts are "not authorized to take judicial notice of the contents of the records of other cases, even when such have been tried or are pending in the same court, and notwithstanding the fact that both cases may have been heard or are actually pending before the same judge."[85] This rule is hardly applicable. As the Sandiganbayan pointed out in its December 7, 2018 Resolution, petitioner requested that the same sets of witnesses, testimonies and documentary evidence that were presented at the bail application of Napoles be deemed submitted in her (petitioner's) own application, subject to cross-examination of five selected witnesses. Thus, the evidence to which the Sandiganbayan referred were those already submitted to it in connection petitioner's bail application.

As the same sets of witnesses, testimonies and documents regarding the same events and characters were submitted in both bail applications, and as this Court in *Napoles v. Sandiganbayan* had declared the credibility of these witnesses, the reliability of their testimonies and the evidentiary value of their documents, it would have been bizarre if the Sandiganbayan had compartmentalized those same evidence, and declared that as to the parts pertaining to petitioner, the witnesses were untrustworthy, their testimonies unconvincing and their documentary evidence untruthful.

In summary, in its June 28, 2018 Resolution the Sandiganbayan was mistaken in adopting wholesale our findings and conclusion in *Napoles v. Sandiganbayan* as though it were

---

[84] *Occidental Land Transportation Co., Inc. v. Court of Appeals*, 292-A Phil. 269 (1993).

[85] Petition, *rollo*, pp. 61-67.

a final and binding determination of the right to bail of petitioner. However, this Court's delineation of the governing law in *Napoles v. Sandiganbayan* is applicable to petitioner's bail application. The Court's assessment of the credibility of the witnesses and the reliability of their testimonies are also indispensable.

Second issue: strength of the evidence of the prosecution

Having adopted the law of the case in *Napoles v. Sandiganbayan* that conspiracy need not be established by direct evidence, and having due regard to the conclusion in said case that the witnesses for the prosecution are credible and their testimonies reliable, the Court must now consider whether petitioner established that grave abuse of discretion marred the Sandiganbayan's assessment that there is strong evidence of the guilt of petitioner.

By strong evidence of guilt, the law contemplates more than evidence that engenders a belief that a crime has probably been committed and that it has been committed by the accused.[86] However, it is less than evidence beyond reasonable doubt, but rather evident guilt or a great presumption of guilt[87] such as would lead a dispassionate judge to conclude that the offense has been committed as charged, that accused is the guilty agent, and that accused will probably be meted the capital punishment.[88] The evidence to be considered is on the 1) the existence of conspiracy involving petitioner; and 2) the commission of the acts ascribed to petitioner.

In its December 7, 2018 Resolution, detailed across one hundred ninety-four (194) pages the testimonies of the 19 witnesses on direct, re-direct and cross-examination at the bail hearing.[89] It then quoted the parts of the discussion of this Court in *Napoles v. Sandiganbayan* that pertained or referred to

---

[86] *Cabrera v. Marcelo*, 487 Phil. 427-448 (2004).

[87] *People v. Cabral*, 362 Phil. 697-719 (1999).

[88] *People v. De Gracia*, G.R. No. 213104, July 29, 2015.

[89] *Rollo*, pp. 130-256.

petitioner.[90] However, it also explained in full the basis of its findings that there is strong evidence of the guilt of petitioner, specifically the following evidence:

First, the testimony of Garcia regarding the significance in the scheme of things of the endorsement letters of petitioner.

Pros. Se:
Q: x x x You mentioned that x x x this SARO were already released when these endorsement letters of Jessica Lucila Reyes was prepared or signed x x x.

Witness:
A. Yes Maám.

Q. x x x what is the connection, if any, of this endorsement letter of Jessica Lucila Reyes x x x to the release of the SAROs?
A. To the release, none, Maám.

Pros. Se:
x x x x x x x x x
Q. If you know, Madam Witness, x x x what is the importance of this endorsement letter of Jessica Lucila Reyes?

Witness:
A. The endorsement letter of Jessica Lucila Reyes to Honorable Arthur Yap, there are four (4) letters [that] triggered the release of funds by DA to NABCOR, and also serves as an authority of Mr. Antonio Evangelista to request the transfer of funds to NGOs.
x x x x x x x x x

Pros. Se:
Q. What is the importance x x x of the endorsement letter of Jessica Lucila Reyes?
Witness:
A. This was made the basis by DA.

Q. Basis for what?
A. To release the funds to NABCOR.

Q. Okay. So, if you know, without that letter, what [would have] happened to the fund?

[90] *Id.* at 209-214.

A. The fund would have not x x x been released by DA to NABCOR.[91]

Second, the letters dated April 18, 2007, July 7, 2008, April 7, 2009 and December 7, 2009 wherein petitioner informed the various implementing government agencies of the designation of the fictitious NGOs created by Napoles as PDAF beneficiaries and the designation of Evangelista as representative. This is confirmed by the subsequent memorandum agreements which Evangelista entered into with said implementing agencies and NGOs.[92]

Third, the letter dated March 21, 2012 of Enrile confirming to Associate Commissioner Carmela Perez that petitioner and Evangelista are his representatives, and that the latter's signature appears on the MOAs, endorsement letters and other documents.[93]

Finally, the disbursement vouchers indicating the amounts coming from the PDAF that were funnelled into the NGO's.

The Sandiganbayan concluded:

> Evidently, the accused-movant had no participation in the preparation and/or signing of any project proposals, reports, memoranda and/or certificates of acceptance. This fact, however, does not negate her complicity to the present charge x x x she signed the endorsement letters which actually triggered the start of this so-called "pork-barrel scam" and repeatedly received the kickbacks from Tuason and accused Napoles.[94]

Against the foregoing array of evidence, petitioner interposed the arguments that the testimony of Garcia is hearsay for the latter merely reviewed the documents submitted to COA.[95] Nowhere did Garcia state that petitioner initiated,

---

[91] *Id.* at 216-218.

[92] *Id.* at 219 (dorsal portion).

[93] *Id.* at 221-225.

[94] *Id.* at 235-236.

[95] Petition, *rollo*, p. 35.

processed, disbursed, caused the release or liquidated the PDAF funds.[96] Rather, the letters attributed to petitioner and which the Sandiganbayan characterized as the starting point of the alleged scheme were released after issuance by the DBM of the SAROs and the NCAs.[97] Moreover, Tuason failed to detail the dates, places and amounts of alleged payments to petitioner. Luy, Sula, and Suñas testified that they never received instructions from petitioner regarding the PDAF or see her receive proceeds from it.[98]

The foregoing arguments of petitioner fail to establish that the Sandiganbayan acted with grave abuse of discretion in concluding that there is strong evidence against petitioner. This Court in *Napoles v. Sandiganbayan* relied on the very same testimony for it is axiomatic that investigation reports rendered by an official in the performance of official duties and on the basis of a personal examination and analysis of official documents and interpretation of the rules and regulations of the latter's office are accorded much weight.[99] By extension, any testimony by said official regarding the procedure and findings in said reports is not hearsay.[100] Such was the nature of Garcia's testimony to the effect that she conducted an audit of the PDAF funds of Senator Enrile and that she arrived at the findings that, without petitioner's letter, public funds would not have been plundered, that is, the funds would not have been released according to the scheme formulated by Napoles. Petitioner has not denied signing these letters or disputed the statement of Senator Enrile that she signed said letter. While at this point the testimonies of Tuason, Luy, Sula and Suñas do not directly establish that petitioner received the proceeds from the said funds, this gap is not enough to overcome a heightened presumption that petitioner partook of the ₱172,834,500.00

---

[96] *Id.* at 36-47.

[97] *Id.* at 48-52.

[98] *Id.* at 21-27.

[99] *Jaca v. People*, 702 Phil. 210-262 (2013).

[100] *Id.*

PDAF funds which, but for her letters, would not have been funneled into bogus projects.

In sum, petitioner failed to establish on substantive grounds that the Sandiganbayan acted with grave abuse of discretion in finding strong evidence of her guilt.

WHEREFORE, the petition is **DENIED**. The assailed Resolutions dated June 28, 2018 and December 7, 2018 denying petitioner's bail application are **AFFIRMED**.

SO ORDERED.

Peralta, C.J. (Chairperson), Carandang,[*] *Lazaro-Javier,* and *Lopez, JJ.*, concur.

SECOND DIVISION

[G.R. No. 200815. August 24, 2020]

SAN MIGUEL CORPORATION, *petitioner*, *vs.* **ROSARIO A. GOMEZ,** *respondent*.

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; LABOR RELATIONS; TERMINATION OF EMPLOYMENT; GROUNDS; LOSS OF TRUST AND CONFIDENCE; REQUISITES.—** Article 297 [282] (c) of the Labor Code provides that an employer may terminate the services of its employee for "[f]raud or willful breach x x x of the trust reposed in him by his employer or duly authorized representative." As a rule, employers have the discretion to manage its own affairs, which includes the imposition

---

[*] Additional member in lieu of Associate Justice Alfredo Benjamin S. Caguioa per Raffle dated July 15, 2020.

of disciplinary measures on its employees. Thus, "employers are generally given wide latitude in terminating the services of employees who perform functions which by their nature require the employer's full trust and confidence." Nonetheless, employers may not arbitrarily dismiss their employees by simply invoking Article 297 [282] (c). The loss of confidence must be genuine and cannot be used as a "subterfuge for causes which are improper, illegal or unjustified." In *Matis v. Manila Electric Co.*, We have pointed out that "[l]oss of confidence as a ground for dismissal has never been intended to afford an occasion for abuse by the employer of its prerogative, as it can easily be subject to abuse because of its subjective nature." x x x Thus, the requisites for dismissal on the ground of loss of trust and confidence are: "1) the employee concerned must be holding a position of trust and confidence; (2) there must be an act that would justify the loss of trust and confidence; [and (3)] such loss of trust relates to the employee's performance of duties." x x x In *Cadavas v. Court of Appeals*, We have emphasized that "[l]oss of trust and confidence to be a valid cause for dismissal must be based on a willful breach of trust and founded on clearly established facts. Such breach is willful if it is done intentionally, knowingly, and purposely, without justifiable excuse as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently."

2. ID.; ID.; ID.; ID.; ID.; ID.; WHAT CONSTITUTES POSITION OF TRUST AND CONFIDENCE.— In the leading case of *Mabeza v. National Labor Relations Commission*, which was reiterated in *Philippine Auto Components, Inc. v. Jumadla*, and *University of the Immaculate Conception v. Office of the Secretary of Labor and Employment*, We have explained what constitutes a "position of trust and confidence": [L]oss of confidence should ideally apply only to cases involving employees occupying positions of trust and confidence **or to those situations where the employee is routinely charged with the care and custody of the employer's money or property.** To the first class belong managerial employees, *i.e.*, those vested with the powers or prerogatives to lay down management policies and/ or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or effectively recommend such managerial actions; and **to the second class belong cashiers, auditors, property custodians, *etc*., or those who, in the normal and routine exercise of their functions, regularly handle significant amounts of money or property.**

APPEARANCES OF COUNSEL

Bohol Bohol II & Jimenez Law Offices for petitioner.
J. Vicente G. Sison & Sison & Associates for respondent.

D E C I S I O N

HERNANDO, *J.*:

Challenged in this appeal is the October 21, 2011 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP. No. 108758 which held that petitioner San Miguel Corporation (SMC) illegally terminated the services of respondent Rosario A. Gomez (Gomez).

SMC is a corporation organized under Philippine laws which is engaged in the business of manufacturing fermented beverages, particularly beer, among others.[2]

SMC employed Gomez on September 16, 1986 as a researcher in the Security Department and concurrently as Executive Secretary to the Head of the Security Department. Sometime in October 1994, Gomez was assigned as coordinator in the Mailing Department of SMC. On December 20, 2002, SMC terminated her services on the ground of fraud or willful breach of trust.[3]

The Antecedents

The circumstances which led to the termination of Gomez's employment involved SMC's arrangement with C2K Express, Inc. (C2K).[4]

---

[1] *Rollo*, pp. 12-24; penned by Associate Justice Franchito N. Diamante and concurred in by Associate Justices Mario V. Lopez (*now a member of this Court*) and Francisco P. Acosta.

[2] *Id.* at 486.

[3] *Id.* at 13.

[4] *Id.*

C2K is a corporation engaged in courier and delivery services, which entered into business with SMC sometime in January 2001 as the latter's courier. For the first three months, the relationship between C2K and SMC went smoothly until C2K encountered difficulty in collecting its service fee from SMC. Eventually, it was found out that C2K's former manager, Daniel Tamayo (Tamayo), formed another courier services group, Starnec, which had been using fake C2K receipts and collecting the fees pertaining to C2K. C2K claimed that it was through Gomez's intervention that Tamayo's group was able to transact business with SMC.[5]

C2K brought the matter to the attention of SMC, which conducted an investigation. In line with this, SMC requested C2K's President, Edwin Figuracion (Figuracion), to execute an affidavit narrating their claim. In the said affidavit,[6] Figuracion mentioned that Gomez had been collecting 25% commission from the total payment received by C2K. An audit was conducted where it was discovered that Gomez was allegedly involved in anomalies which caused tremendous losses to SMC.[7]

SMC conducted an administrative investigation and hearing where Gomez was able to present her evidence and witnesses to disprove the charges against her.[8] After the investigation, Gomez was found guilty of committing fraud against SMC and of receiving bribes through commissions in connection with the performance of her function.[9] On December 20, 2002, SMC issued a Notice of Termination of Services[10] to Gomez prompting her to file a case for illegal dismissal with the National Labor Relations Commission (NLRC).[11]

---

[5] *Id.* at 13-14.

[6] CA *rollo*, p. 148.

[7] *Rollo*, p. 14.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 92.

[11] *Id.* at 14.

Ruling of the Labor Arbiter:

In a March 30, 2006 Decision,[12] the Labor Arbiter held that Gomez's employment was validly terminated, *viz.*:

WHEREFORE, premises considered, the instant complaint is hereby DISMISSED for lack of merit.

Respondents' counter claims are also denied for lack of jurisdiction but without prejudice.

SO ORDERED.[13]

Ruling of the NLRC:

Aggrieved, Gomez appealed to the NLRC. In its September 23, 2008 Decision[14] in NLRC NCR CA No. 050019-06, the NLRC reversed and set aside the findings of the Labor Arbiter and held that Gomez was illegally terminated. The dispositive portion of said Decision reads:

WHEREFORE, premises considered, the Decision appealed from is hereby **REVERSED** and **SET ASIDE** and a new one entered declaring complainant's employment was illegally terminated. Accordingly, respondent is hereby ordered to reinstate complainant to her former or substantially equivalent position and to pay her backwages from the time of her illegal dismissal until actual reinstatement, moral damages in the amount of Twenty Thousand Pesos (₱20,000.00) and ten percent (10%) of the total award as attorney's fees.

SO ORDERED.[15] *(Emphasis in the original)*

SMC filed a Motion for Reconsideration[16] which was denied by the NLRC in its April 16, 2009 Resolution.[17]

---

[12] *Id.* at 137-143.

[13] *Id.* at 15 and 143.

[14] *Id.* at 185-204; penned by Commissioner Angelita A. Gacutan, and concurred in by Presiding Commissioner Raul T. Aquino and Commissioner Victoriano R. Calaycay.

[15] *Id.* at 204.

[16] *Id.* at 205-223.

[17] CA *rollo*, pp. 57-58.

Unsatisfied, SMC filed with the CA a Petition for *Certiorari*[18] under Rule 65 of the Rules of Court seeking to set aside the NLRC's September 23, 2008 Decision and April 16, 2009 Resolution. In said petition, SMC imputed grave abuse of discretion amounting to lack or excess of jurisdiction on the NLRC when it reversed and set aside the Labor Arbiter's Decision and held that Gomez was illegally terminated.

Ruling of the CA:

In its October 21, 2011 Decision,[19] the CA dismissed the petition and upheld the findings of the NLRC. The CA pointed out that "Gomez's dismissal on the ground of fraud and loss of trust and confidence was not founded on clearly established facts."[20] Thus, the dispositive portion of the CA's Decision states:

> **WHEREFORE**, premises considered, the instant Petition is hereby **DENIED**. The assailed Decision dated September 23, 2008 and the Resolution dated April 16, 2009, both issued by public respondent NLRC in NLRC NCR CA No. 050019-06 are hereby **AFFIRMED**.
>
> **SO ORDERED**.[21] *(Emphasis in the original).*

SMC filed a Motion for Reconsideration which was denied by the CA in its February 27, 2012 Resolution.[22]

Issues:

Thus, SMC filed the instant Petition for Review on *Certiorari*[23] under Rule 45 of the Rules of Court, which raises the following arguments:

(i) Gomez's termination from service was valid, legal and effective.[24]

---

[18] *Rollo*, pp. 259-291.

[19] *Id.* at 12-24.

[20] *Id.* at 20.

[21] *Id.* at 23.

[22] *Id.* at 25-26.

[23] *Id.* at 28-61.

[24] *Id.* at 44.

(ii) Gomez can no longer be reinstated since her dismissal was valid, legal and effective. Assuming that the dismissal was illegal, the CA should have ordered separation pay in lieu of reinstatement since SMC already lost the trust and confidence it reposed upon Gomez.[25]

(iii) Gomez's appeal filed before the NLRC should not have been given consideration since it was not filed in accordance with the NLRC's 2005 Rules of Procedure.[26]

The Court's Ruling

This Court finds SMC's instant petition meritorious. Thus, We reverse the CA's ruling and reinstate the Labor Arbiter's findings that Gomez was validly terminated on the ground of loss of trust and confidence.

SMC claims that it validly terminated Gomez's services on the grounds of fraud and betrayal of the trust and confidence reposed on her due to her alleged acceptance of commission from C2K and Tamayo's group, and for allegedly allowing the courier to increase the actual weights of the packages in order to compensate for her commission.[27]

We find SMC's arguments tenable.

At the outset, We note that Gomez was accorded with procedural due process since she was given both notice and hearing where she was able to present her evidence and witnesses to disprove the charges against her.[28]

On the substantive aspect, this Court finds Gomez liable for fraud or willful breach of trust, a valid ground for the termination of her employment.

Article 297 [282] (c) of the Labor Code provides that an employer may terminate the services of its employee for "[f]raud

---

[25] *Id.* at 51-52.

[26] *Id.* at 56.

[27] *Id.* at 18.

[28] *Rollo*, pp. 18 and 142.

or willful breach x x x of the trust reposed in him by his employer or duly authorized representative." As a rule, employers have the discretion to manage its own affairs, which includes the imposition of disciplinary measures on its employees.[29] Thus, "employers are generally given wide latitude in terminating the services of employees who perform functions which by their nature require the employer's full trust and confidence."[30]

Nonetheless, employers may not arbitrarily dismiss their employees by simply invoking Article 297 [282] (c). The loss of confidence must be genuine and cannot be used as a "subterfuge for causes which are improper, illegal or unjustified."[31] In *Matis v. Manila Electric Co.*,[32] We have pointed out that "[l]oss of confidence as a ground for dismissal has never been intended to afford an occasion for abuse by the employer of its prerogative, as it can easily be subject to abuse because of its subjective nature."

In *University of the Immaculate Conception v. Office of the Secretary of Labor and Employment*,[33] citing *Cruz v. Court of Appeals*,[34] this Court summarized the guidelines when loss of confidence constitutes a valid ground for dismissal:

> [T]he language of Article 282(c) of the Labor Code states that the loss of trust and confidence must be based on willful breach of the trust reposed in the employee by his employer. Such breach is willful if it is done intentionally, knowingly, and purposely, without justifiable excuse, as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently. Moreover, it must be based on substantial

---

[29] *Manila Hotel Corp. v. De Leon*, G.R. No. 219774, July 23, 2018.

[30] *University of the Immaculate Conception v. Office of the Secretary of Labor and Employment*, 769 Phil. 630, 654 (2015); *Wuerth Philippines, Inc. v. Ynson*, 682 Phil. 143, 158 (2012); and *Ancheta v. Destiny Financial Plans, Inc.*, 626 Phil. 550, 562 (2010).

[31] *The Coca-Cola Export Corp. v. Gacayan*, 653 Phil. 45, 66 (2011).

[32] 795 Phil. 311, 322 (2016).

[33] *Supra* at 655-656.

[34] 527 Phil. 230 (2006).

evidence and not on the employer's whims or caprices or suspicions otherwise, the employee would eternally remain at the mercy of the employer. Loss of confidence must not be indiscriminately used as a shield by the employer against a claim that the dismissal of an employee was arbitrary. And, in order to constitute a just cause for dismissal, the act complained of must be work-related and shows that the employee concerned is unfit to continue working for the employer. In addition, loss of confidence as a just cause for termination of employment is premised on the fact that the employee concerned holds a position of responsibility, trust and confidence or that the employee concerned is entrusted with confidence with respect to delicate matters, such as the handling or care and protection of the property and assets of the employer. The betrayal of this trust is the essence of the offense for which an employee is penalized.

Thus, the requisites for dismissal on the ground of loss of trust and confidence are: "1) the employee concerned must be holding a position of trust and confidence; (2) there must be an act that would justify the loss of trust and confidence; [and (3)] such loss of trust relates to the employee's performance of duties."[35]

In view of the first requisite above, this Court must make a determination with regard to the true nature of Gomez's position. SMC claims that Gomez is a mailing coordinator at the Mailing Department tasked with weighing and determining the volume of documents and other shipments of the corporation,[36] including the *Kaunlaran* Magazines. The Mailing Department is headed by a manager, in this case Ms. Rosanna Mallari (Gomez's boss), who takes care of the voluminous mailing as well as courier services of SMC.[37]

In the leading case of *Mabeza v. National Labor Relations Commission*,[38] which was reiterated in *Philippine Auto*

---

[35] *Cadavas v. Court of Appeals*, G.R. No. 228765, March 20, 2019.

[36] *Rollo*, p. 32.

[37] *Id.* at 202.

[38] 338 Phil. 386, 395-396 (1997).

Components, Inc. v. Jumadla,[39] and *University of the Immaculate Conception v. Office of the Secretary of Labor and Employment*,[40] We have explained what constitutes a "position of trust and confidence":

> [L]oss of confidence should ideally apply only to cases involving employees occupying positions of trust and confidence **or to those situations where the employee is routinely charged with the care and custody of the employer's money or property.** To the first class belong managerial employees, *i.e.*, those vested with the powers or prerogatives to lay down management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or effectively recommend such managerial actions; and **to the second class belong cashiers, auditors, property custodians, etc., or those who, in the normal and routine exercise of their functions, regularly handle significant amounts of money or property.** x x x (*Emphasis supplied*)

The Court finds that Gomez indeed occupied a position of trust and confidence, as defined by law and jurisprudence, since she was entrusted with SMC's property, in particular its mail matter which included weighing and determining volumes of documents to be shipped. Thus, she was routinely charged with custody of SMC's mail matter.

In addition, We find that SMC likewise substantially proved the second requisite (*i.e.*, there must be an act that would justify the loss of trust and confidence). In *Cadavas v. Court of Appeals*,[41] We have emphasized that "[l]oss of trust and confidence to be a valid cause for dismissal must be based on a willful breach of trust and founded on clearly established facts. Such breach is willful if it is done intentionally, knowingly, and purposely, without justifiable excuse as distinguished from

---

[39] 801 Phil. 170, 182-183 (2016).

[40] *Supra* note 30 at 657.

[41] *Supra* note 35.

an act done carelessly, thoughtlessly, heedlessly or inadvertently."[42]

In this case, We find that Gomez willfully, intentionally, knowingly, purposely, and without justifiable excuse disregarded SMC's rules and regulations in the workplace.

This Court notes that it was through Gomez's intervention that Starnec (Tamayo's group) was able to transact business with SMC, wherein Starnec used fake receipts and collected the fees pertaining to C2K.[43] Gomez, as the coordinator in SMC's Mailing Department, should have known or noticed said fake receipts since she had previously transacted with C2K.

Moreover, We give credence to the claim of C2K's President, Figuracion, in his affidavit[44] that Gomez had been collecting 25% commission from the total payment received by C2K. This was corroborated by SMC's audit findings where it was discovered that Gomez's anomalies caused tremendous losses to SMC.[45] Furthermore, SMC conducted its investigation which resulted in Gomez being found guilty of committing fraud against SMC and of receiving bribes through commissions in connection with the performance of her function.[46]

In view of the foregoing, this Court finds that Gomez was validly terminated on the ground of loss of trust and confidence.

In termination cases, the employer bears the burden of proving that the employee's dismissal was for a valid and authorized cause. Consequently, the failure of the employer to prove that the dismissal was valid, would mean that the dismissal was unjustified, and thus illegal.

---

[42] *Id.*

[43] *Rollo*, pp. 13-14.

[44] CA *rollo*, p. 148.

[45] *Rollo*, p. 14.

[46] *Id.*

We are of the firm view that SMC sufficiently discharged the burden.

WHEREFORE, the Petition for Review on *Certiorari* is hereby **GRANTED**. The assailed October 21, 2011 Decision and the February 27, 2012 Resolution of the Court of Appeals in CA-G.R. SP. No. 108758 are hereby **REVERSED AND SET ASIDE**. The March 30, 2006 Decision of the Labor Arbiter holding that Rosario A. Gomez's employment was validly terminated is hereby **REINSTATED**. No pronouncement as to costs.

SO ORDERED.

Caguioa,[*] *Inting,* and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

SECOND DIVISION

[G.R. No. 201655. August 24, 2020]

APOLINARIO VALDEZ, AMANDA ESPIRITU, AQUILINA HERNANDEZ, and SALVADOR PETINES, represented by their Heirs and/or Successors-in-interest, *petitioners*, *vs.* **HEIRS OF ANTERO CATABAS,** *respondents*.

SYLLABUS

1. CIVIL LAW; COMMONWEALTH ACT NO. 141 (THE PUBLIC LAND ACT); MODES OF DISPOSING PUBLIC

[*] Designated as Additional Member vice Senior Associate Justice Estela M. Perlas-Bernabe per raffle dated June 22, 2020.

LANDS; FREE PATENT APPLICATION; REQUISITES; AN APPLICANT FOR A FREE PATENT ACKNOWLEDGES THAT THE LAND COVERED BY THE APPLICATION STILL BELONGS TO THE GOVERNMENT AND IS STILL PART OF THE PUBLIC DOMAIN.— [B]efore the issuance of Proclamation No. 247 in 1956, Antero already filed his claim on Lot No. 4967-C in 1949 through free patent application, which was later amended in 1952. Under Section 11 of C.A. No. 141, there are two modes of disposing public lands through confirmation of imperfect or incomplete titles: (1) by judicial confirmation; and (2) by administrative legalization, otherwise known as the grant of free patents. In the present case, Antero chose to file a free patent application which was governed by Section 44 of C.A. No. 141 x x x. An applicant for a free patent does not claim the land as his or her private property but acknowledges that the land is still part of the public domain. Antero, in choosing to apply for free patent, acknowledged that the land covered by his application still belongs to the government and is still part of the public domain. Under Section 44 of C.A. No. 141, he is required to prove continuous occupation and cultivation of agricultural land subject to disposition since July 4, 1926 or prior thereto and payment of real estate taxes while the land has not been occupied by other persons. However, at the time Antero's amended free patent application was filed in 1952, Republic Act (R.A.) No. 782 was enacted on June 21, 1952, amending Section 44 of C.A. No. 141 x x x. Notwithstanding the fact that when Antero filed his amended free patent application in 1952, the subject property (Lot No. 4967-C) was not yet declared as alienable and disposable public land, We are persuaded to give preference to the possession of Antero since 1929 over the petitioner's claim or interest which arose later than Antero's. The subsequent declaration of Lot No. 4967-C as open for disposition to qualified claimants effectively cured the defect of Antero's free patent application filed before the herein petitioners. Antero's possession of the subject property as evidenced by the payment of real estate taxes starting the year 1929, strengthened his continuous and notorious possession of the subject property, which started earlier than July 4, 1945.

2. **ID.; ID.; ID.; ID.; A POSSESSOR OR OCCUPANT OF PROPERTY MAY BE A POSSESSOR IN THE CONCEPT**

OF AN OWNER PRIOR TO THE DETERMINATION THAT THE PROPERTY IS ALIENABLE AND DISPOSABLE AGRICULTURAL LAND AND THE COMPUTATION OF THE PERIOD OF POSSESSION MAY INCLUDE THE PERIOD OF ADVERSE POSSESSION PRIOR TO THE DECLARATION THAT THE LAND IS ALIENABLE AND DISPOSABLE.— In *Republic v. Roasa*, We clarified that a possessor or occupant of property may be a possessor in the concept of an owner prior to the determination that the property is alienable and disposable agricultural land. Thus, the computation of the period of possession may include the period of adverse possession prior to the declaration that the land is alienable and disposable. Though at the time of his application, the subject property was not yet classified as alienable and disposable, the subsequent declaration thereof should be considered in Antero's favor whose free patent application was still pending and subsisting at that time and is not canceled up to this time.

APPEARANCES OF COUNSEL

Almazan Reyes & Associates for petitioners.
M.K. Bote-Veguillas Law Office co-counsel for petitioners.
Pelayo Thiam Law Firm for respondents.

D E C I S I O N

HERNANDO, *J.*:

Challenged in this Petition [for Review] on *Certiorari*[1] is the April 19, 2011 Decision[2] and March 30, 2012 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 104307 which

---

[1] *Rollo*, pp. 10-38.

[2] CA *rollo*, pp. 228-239; penned by Associate Justice Rosmari D. Carandang (now a Member of this Court) and concurred in by Associate Justices Ramon R. Garcia and Samuel H. Gaerlan (now a Member of this Court).

[3] *Id.* at 363-367.

denied the Petition for Review under Rule 43 filed by herein petitioners Apolinario Valdez (Apolinario), Amanda Espiritu (Amanda), Aquilina Hernandez (Aquilina), and Salvador Petines (Salvador), together with Arcadia Gaddi (Arcadia), Angel Gaddi (Angel), Luis Gaddi (Luis), and Lina Gaddi (Lina), represented by their heirs and/or successors-in-interest. Consequently, the CA affirmed the May 18, 1998 Decision[4] and May 29, 2008 Resolution[5] of the Office of the President (OP) in O.P. Case No. 97-8068 which confirmed Antero Catabas' (Antero) vested right over Lot No. 4967-C, Cad-211, located in Victory Norte, Santiago, Isabela, based on his valid and subsisting Free Patent Application No. V-8500.

The Antecedents

On September 8, 1949, Antero filed Free Patent Application (FPA) No. V-8500[6] for Lot No. 4967.[7] Pursuant to Proclamation No. 427 dated November 7, 1931, Lot No. 4967 was subdivided into three (3) lots. Lot Nos. 4967-A and 4967-B were reserved for public purposes, particularly road and market site. Hence, on September 15, 1952[8] Antero amended his application to cover only Lot No. 4967-C.[9]

Thereafter, Cadastral Subdivision Survey No. 167 was conducted pursuant to Proclamation No. 427[10] dated January

---

[4] *Id.* at 45-51.

[5] *Id.* at 42-44.

[6] DENR records, pp. 398-399.

[7] Also referred to as 4976 in some parts of the records.

[8] *Id.* at 400-401.

[9] Also referred as Lot No. 4976-C in some parts of the records.

[10] EXCLUDING FROM THE OPERATION OF PROCLAMATION NO. 427 DATED NOVEMBER 7, 1931, WHICH ESTABLISHED THE FARM SCHOOL RESERVATION SITUATED IN THE MUNICIPALITY OF SANTIAGO, PROVINCE OF ISABELA, ISLAND OF LUZON, CERTAIN PORTIONS OF THE LAND EMBRACED THEREIN, EXCEPT THE PARCELS WHICH ARE ACTUALLY OCCUPIED AND USED FOR FARM SCHOOL PURPOSES AND DECLARING THE SAME OPEN TO DISPOSITION UNDER THE PROVISIONS OF THE PUBLIC LAND ACT.

19, 1956 further subdividing Lot No. 4967-C to several lots for disposition to qualified claimants.

Meanwhile, Antero's free patent application was recommended for approval by Assistant Public Land Inspector Tomas Cruz and was forwarded to the Central Office of the Bureau of Lands on September 24, 1952.[11] The recommendation for approval was received by the Director of Lands on October 7, 1952, who ordered the posting of the notices of Antero's free patent application in different conspicuous places.[12]

The controversy arose when herein petitioners Apolinario, Amanda, and Aquilina, together with Maria Dolores Valdez (Maria Dolores) and Evangeline Franco (Evangeline), filed sales patent applications over Lot Nos. 316, 317, 500, 501-B, 498, 502, and 505. Similarly, petitioner Salvador, together with Sofia Barrera and Laureana Bergonia, Lina, Cresencio Andungo, Artemio Valdez, Antonio Valdez, Estrella Lachica (Estrella) and Alexander Valdez (Alexander) filed their respective claims over Lot Nos. 315, 318, 501, 499, 506, 507, 510, and 511, which lots originally formed part of Lot No. 4967-C and were included in the FPA No. V-8500 filed by Antero.

Hence, herein respondents heirs of Catabas filed a protest against the sales patent applications and other claims of petitioners and other claimants over Lot No. 4967-C. The heirs of Catabas alleged that the lots in question were covered by a subsisting free patent application filed by Antero who acquired a vested right over it by reason of his early possession since 1929 as evidenced by Tax Declaration No. 12942 dated February 15, 1929 and Tax Declaration No. 13666 dated October 1, 1930 and the corresponding payments of the real estate taxes ever since.

Respondents further averred that the case of *Municipality of Santiago, Isabela vs. Court of Appeals*[13] already confirmed

---

[11] DENR records, p. 396.

[12] *Id.* at 397.

[13] 205 Phil. 638, 641 (1983).

their possession and claim over the lots in dispute when it recognized that Antero filed his Answer during the cadastral proceedings conducted for the Municipality of Santiago, Isabela to record his claim on Lot No. 4967 while another claimant, Eulalio Bayaua (Bayaua), petitioners' predecessor-in-interest, did not file any Answer thereto. Although a free patent is yet to be issued to Antero, respondents claimed that Antero already acquired a vested right over Lot No. 4967-C since FPA No. V-8500 was never canceled by the proper authority.

On the other hand, petitioner Apolinario together with Maria Dolores, Evangeline, and Artemio, claimed that in 1953, Maria Dolores and Artemio bought from a certain Maria Cavinian (Cavinian), the surviving spouse of Bayaua, a portion of 3,500 square meters of Lot No. 4967 and Lot No. 8000, Cad-211.

Thereafter, in 1957, pursuant to Proclamation No. 247 dated January 19, 1956, the Bureau of Lands subdivided Lot Nos. 1 and 4967 of Santiago Cadastre into small residential lots, which included that portion of Lot Nos. 4967 and 8000 bought by the Valdezes from Cavinian in 1953. These became Lot Nos. 502, 505, 506, 507, 508, 509 and 510, Ccs-167. Later on, Maria Dolores ceded and transferred the other lots to Evangeline, Estrella and Alexander.

Consequently, miscellaneous sales patent applications were approved in 1984 by the Bureau of Lands in favor of Arcadia over Lot No. 316, Luis over Lot No. 317, petitioner Apolinario over Lot No. 500, petitioner Amanda over Lot No. 501-B, petitioner Aquilina over Lot No. 498, Maria Dolores over Lot No. 502 and Evangeline over Lot No. 505. In addition, Lina likewise filed a sales patent application with the Bureau of Lands over Lot No. 318, Ccs-167 which she bought from a certain Rumeriano de la Cruz in March 1978.

On July 13, 1988, Land Investigator Luis V. Salatan, Sr. (Salatan) was assigned by the Bureau of Lands to investigate the respective claims of the parties over Lot No. 4967-C. Salatan then recommended the dismissal of respondents' protest on the following grounds: (a) Antero's failure to formally oppose

the exclusion of that portion of Lot No. 4967 which was petitioned by the VICAROS Homeowners Association as per Proclamation No. 427 dated January 19, 1956 from the operation of Proclamation No. 427 dated May 24, 1949 which allocated the area for disposition to qualified claimants; and (b) Antero's failure to protest to protect his rights and interests over the subject property when a subdivision survey was conducted in the area.[14]

Ruling of the Regional Executive Director (RED), Region II and the Secretary of the Department of Environment and Natural Resources (DENR):

Despite the recommendation of Land Investigator Salatan, the RED of DENR Region II, Tuguegarao, Cagayan, in an Order dated February 4, 1991,[15] gave due course to respondents' protest. The RED-DENR Region II found the issuance of petitioners' sales patent to be premature, illegal, fraudulent and their possession over the subject lots characterized by bad faith considering that their sales patents were issued while Antero's application was still subsisting. The RED then ordered the reversion of the lots covered by the sales patents issued to some of the petitioners subject to the rights of the respondents, and the dismissal of the other claims.

Petitioners filed a motion for reconsideration which was however denied.[16] Thus, they elevated their case to the Secretary of the DENR who affirmed the ruling of the RED.[17]

Ruling of the Office of the President:

Thereafter, petitioners appealed to the OP which consequently dismissed their appeal in its May 18, 1998 Decision.[18] The OP found that Antero's FPA No. V-8500 had already met all the

---

[14] DENR records, pp. 491-503.

[15] *Id.* at 515-522.

[16] *Id.* at 594-599.

[17] See CA *rollo*, p. 48.

[18] *Id.* at 45-51.

requirements for the issuance of a free patent. Hence, Antero already obtained vested rights over the subject property and can be regarded as the equitable owner thereof. Even without a patent, Antero's right over the subject property is beyond question as all the requirements under the law had already been accomplished. The OP ratiocinated in this wise:

> One of the issues which has to be resolved in this appeal is who between the parties have a better or prior right to the lots in controversy based on the evidence presented. From the above recital, it is uncontroverted that appellants only began to assert their respective claims over the disputed lots sometime after the execution of the subdivision survey CCs-167 in 1953. Subsisting and still being considered and acted upon at the time was Free Patent Application No. V-8500 of Antero Catabas over the disputed portions of Lot No. 4967-C, Cad-211. This application was never denied or disapproved by the then Bureau of Lands and therefore, should have been given preferential attention in the processing of the claims over the lots in question. The prior rights of Antero Catabas over the lots has to be respected as it springs from his incipient and original settlement, occupation and sustained possession thereof in the concept of owner. Free Patent Application No. V-8500 of Antero Catabas still subsists in the records and is the same application that appellees are pursuing so that land patents may be issued to them.
>
> The records preponderantly show that the free patent application of Antero Catabas was acted upon by the different governing agencies concerned. Sometime in 1952, he was ordered by the then Bureau of Lands to amend his previous application to cover only portion "C" of Lot No. 4967, Cad-211 with an area of 0.3794 hectares, which he did per Free Patent Application No. V-8500 (Exhibit "D" for Appellees). Said application finds solace when the Director of Lands acknowledged the same by ordering that notices of the free patent application be posted in different conspicuous places. Thus, the actuation of the said official only implies recognition that the application of the late Antero Catabas was sufficient in form and substance and meets all the initial requirements for the issuance of free patent. This is buttressed by the action taken by Assistant Public Land Inspector Tomas Cruz who, as early as September 24, 1952, recommended the approval of the free patent application of Antero Catabas for portion "C" of Lot No. 4967.

x x x x x x x x x

In the case at bar, it appears that the Free Patent Application No. V-8500 of Antero Catabas has already met the requirements for issuance of a free patent. The fact that the application was posted and subsequently recommended for approval implies that all the terms and conditions entitling him to a patent were already fixed and established and were no longer open to controversy. Hence, such interest or right over the lots had become vested and Antero Catabas, the predecessor-in-interest of herein appellees, is to be regarded as the equitable owner thereof. So that, even without a patent, where all the requirements under the law had already been accomplished, the right or interest of the applicant to have a patent issued in his favor is beyond question.[19]

Petitioners filed a motion for reconsideration but this was later denied by the OP in its May 29, 2008 Resolution.[20] Hence, they filed a petition for review under Rule 43 of the Rules of Court before the CA.

Ruling of the Court of Appeals:

On April 19, 2011, the CA rendered its Decision[21] denying for lack of merit the petition for review filed by petitioners together with Arcadia, Angel, Luis and Lina. The appellate court reasoned that the application of Antero should be given preference over the claims of petitioners. Clearly, Antero's FPA No. V-8500 has not been canceled until this time. Moreover, the CA noted that petitioners acquired their supposed right over the subject property from Cavinian, the widow of Bayaua, who had not filed an Answer in the cadastral proceedings conducted in 1939. The subsequent Answer filed by Bayaua in 1962 was also denied by the cadastral court.

Petitioners filed their motion for reconsideration which was denied by the appellate court in its March 30, 2012

---

[19] *Id.* at 49-50.

[20] *Id.* at 42-44.

[21] *Id.* at 228-239.

Resolution.[22] Hence, petitioners filed this Petition [for Review on *Certiorari*] under Rule 45.

ISSUE

Who between the parties have a superior right to the lots in controversy?

Petitioners argue that the findings of Land Investigator Salatan, specifically that (a) Antero failed to formally oppose or negate the exclusion of the subject property from the coverage of Proclamation No. 427 dated January 19, 1956; and (b) Antero failed to protect his right or interest over the subject property, support their position that Antero indeed waived his right therein. Moreover, Antero did not oppose the petition filed by VICAROS Homeowners Association under Proclamation No. 427 dated January 19, 1956 to exclude the subject property from the operation of Proclamation No. 427 for disposition by the Bureau of Lands to qualified claimants. In addition, Antero waived his right or interest over the subject property when he did not oppose the survey and subsequent distribution thereof to qualified claimants.

Furthermore, petitioners assert that the appellate court's reliance on *Balboa v. Farrales* (Balboa)[23] is misplaced in view of the ruling in *Quinsay v. Intermediate Appellate Court* (Quinsay),[24] that vested rights over the land subject of a homestead application can only be validly claimed by a claimant after approval by the Director of Lands of the final proof for a homestead patent. In this case, petitioners stressed that Antero's free patent application was never approved by the Bureau of Lands. Thus, he cannot be deemed to have acquired vested right over the subject property.

Lastly, petitioners argue that after the lapse of one year from the date of entry of the decree of registration, the certificate of

---

[22] *Id.* at 363-367.

[23] 51 Phil. 498 (1928).

[24] 272-A Phil. 235 (1991).

title of the subject property became indefeasible and incontrovertible. However, the appellate court did not determine the issue of indefeasibility of petitioners' title over the subject property. Hence, petitioners pray that their respective titles over the subject property be confirmed.

On the other hand, respondents contend that preference should be accorded to Antero and his successors-in-interest over the sales patents issued to petitioners. They insist that the free patent application of Antero was filed prior to petitioners' sales patent applications and had already been approved. The only thing left to do is the ministerial issuance of the patent in favor of Antero.

Respondents further claim that the rulings in *Balboa* and *Quinsay* can actually be applied in the present case in favor of Antero as the latter acquired a vested right over the subject property based on his approved free patent application. Hence, the issuance of petitioners' titles was premature because there was a previous and subsisting free patent application filed by Antero ahead of herein petitioners and their predecessors-in-interest.

Furthermore, respondents argue that a void title confers no right. Antero's open, continuous, exclusive and notorious possession of the subject property is deemed to have ripened into acquisition by operation of law, that is, of a right to a government grant without the necessity of a certificate of title being issued. This right cannot be affected by the subsequent issuance of a free patent by the Director of Lands as the Public Land Law applies only to lands that are part of public domain and not to those which have already been segregated from the public domain.

The Court's Ruling

The petition lacks merit.

In this case, the law applicable at the time of Antero's alleged acquisition of Lot No. 4967 is Act No. 2874[25] dated November

[25] AN ACT TO AMEND AND COMPILE THE LAWS RELATIVE TO LANDS OF THE PUBLIC DOMAIN, AND FOR OTHER PURPOSES. Took effect July 1, 1919.

29, 1919, as amended. Section 45 (b) of Act No. 2874 states that "those who by themselves or through their predecessor-in-interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition of ownership, except as against the Government, since [July 26, 1894] except when prevented by war or *force majeure*" may apply with the Court of First Instance of the province for the confirmation of their claims and the issuance of a certificate of title therefor, under the Land Registration Act. Furthermore, Section 49 of Act No. 2874 provides that in cadastral proceedings, instead of an application, an answer or claim may be filed which produces the same effect as in the procedure provided in Sections 47 and 48 of Act No. 2874.

As can be gleaned from the records, Antero filed his Answer dated August 21, 1935 in Cadastral Case No. 30 which involved Lot No. 4967 in order to claim his title or interest over said lot. In fact, in the case of *Municipality of Santiago, Isabela v. Court of Appeals*,[26] this Court confirmed that Antero filed his Answer during the cadastral proceedings with regard to Lot No. 4967. However, the lower court declared Lot No. 4967 as public land and dismissed Antero's Answer for lack of due prosecution, to wit:

> On September 17, 1963, the lower Court issued another Order declaring Lot No. 4967 public land.
>
> "WHEREFORE, as prayed for by the First Assistant Provincial Fiscal, representing the Municipality of Santiago, **the cadastral answer filed by Antero Catabas over Lot 4967 is hereby definitely dismissed, for lack of due prosecution, pursuant to Section 3, Rule 30, Rules of Court.**
>
> **Cadastral Lot 4967, Santiago Cadastre included in Cad. Case No. 30 GLRO Rec. No. 1496, is *declared public land*** subject, however, to whatever rights the Municipality of Santiago, Province of Isabela, may have by virtue and pursuant to Presidential Proclamation No. 131 dated May 24, 1949."[27] [Emphasis ours.]

---

[26] *Supra* note 12.

[27] *Id.* at 641-642.

In the same case, the CFI's September 17, 1963 Order in Cadastral Case No. 30 was declared to have become final and conclusive, there being no appeal from the parties. Meanwhile, Antero filed FPA No. V-8500 on September 1, 1949[28] for Lot No. 4967 under Commonwealth Act (C.A.) No. 141 dated November 7, 1936. He later amended his free patent application on September 15, 1952[29] to cover only Lot No. 4967-C.

However, on January 19, 1956, Proclamation No. 247 was issued which excluded certain portions of the land embraced in the Agricultural Farm School of Santiago and declared the same open for disposition. Hence, Lot No. 4967-C was further subdivided into several lots which were acquired by petitioners and became the subject of the present dispute.

At the time of the issuance of Proclamation No. 247 on January 19, 1956 and the conduct of the Cadastral Subdivision Survey No. 167, there was a subsisting and pending free patent application filed by Antero on Lot No. 4967-C on September 1, 1949 under C.A. No. 141, as amended. The same was recommended for approval by Assistant Public Land Inspector Tomas Cruz and forwarded to the Central Office of the Bureau of Lands on September 24, 1952 and received by the Director of Lands on October 7, 1952 who then caused the posting of notices of Antero's free patent application in different conspicuous places. However, it bears stressing that at the time of Antero's application for free patent in 1949, Lot No. 4967-C was part of the Agricultural Farm School of Santiago which is an inalienable public land. It was only declared as alienable public land open for disposition to qualified claimants in 1956 pursuant to Proclamation No. 247.

The questions now therefore are: (a) whether Antero's occupation and possession of Lot No. 4967-C since 1929 be considered in granting his free patent application filed in 1949 when the subject property is not yet declared as alienable and

---

[28] DENR records, pp. 398-399.

[29] *Id.* at 400-401.

disposable; and (b) whether the subsequent declaration in 1956 of Lot No. 4967-C as alienable public land and available for disposition to qualified claimants can be considered in granting Antero's free patent application.

It cannot be emphasized that before the issuance of Proclamation No. 427 in 1956, Antero already filed his claim on Lot No. 4967-C in 1949 through free patent application which was later amended in 1952. Under Section 11 of C.A. No. 141, there are two modes of disposing public lands through confirmation of imperfect or incomplete titles: (1) by judicial confirmation; and (2) by administrative legalization, otherwise known as the grant of free patents. In the present case, Antero chose to file a free patent application which was governed by Section 44 of C.A. No. 141, which states that:

> SECTION 44. Any natural-born citizen of the Philippines **who since July fourth, nineteen hundred and twenty-six or prior thereto, has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public lands subject to disposition, or who shall have paid the real estate tax thereon while the same has not been occupied by any person shall be entitled**, under the provisions of this chapter, to have a free patent issued to him for such tract or tracts of such land not to exceed twenty-four hectares.

An applicant for a free patent does not claim the land as his or her private property but acknowledges that the land is still part of the public domain. Antero, in choosing to apply for free patent, acknowledged that the land covered by his application still belongs to the government and is still part of the public domain.[30] Under Section 44 of C.A. No. 141, he is required to prove continuous occupation and cultivation of agricultural land subject to disposition since July 4, 1926 or prior thereto and payment of real estate taxes while the land has not been occupied by other persons.

---

[30] *Taar v. Lawan*, G.R. No. 190922, October 11, 2017, 842 SCRA 365, 392, citing *Sumail v. Court of First Instance of Cotabato*, 96 Phil. 946 (1955).

However, at the time Antero's amended free patent application was filed in 1952, Republic Act (R.A.) No. 782[31] was enacted on June 21, 1952, amending Section 44 of C.A. No. 141, which reads:

> Section 1. Any provision of law, rules and regulations to the contrary notwithstanding, any natural born citizen of the Philippines who is not the owner of more than twenty-four hectares, and **who since July fourth, nineteen hundred and forty-five or prior thereto, has continuously occupied and cultivated, either by himself or through his predecessors in interest, a tract or tracts of agricultural public lands subject to disposition, shall be entitled, under the provisions of this Act**, to have a free patent issued to him for such tract or tracts of such land not to exceed twenty-four hectares. The application shall be accompanied with a map and the technical description of the land occupied along with affidavits proving his occupancy from two disinterested persons residing in the municipality or barrio where the land may be located.

Notwithstanding the fact that when Antero filed his amended free patent application in 1952, the subject property (Lot No. 4967-C) was not yet declared as alienable and disposable public land, We are persuaded to give preference to the possession of Antero since 1929 over the petitioners' claims or interest which arose later than Antero's. The subsequent declaration of Lot No. 4967-C as open for disposition to qualified claimants effectively cured the defect of Antero's free patent application filed before the herein petitioners. Antero's possession of the subject property as evidenced by the payment of real estate taxes starting the year 1929[32] strengthened his continuous and notorious possession of the subject property which is earlier than July 4, 1945.

In *Republic v. Roasa*,[33] We clarified that a possessor or occupant of property may be a possessor in the concept of an

---

[31] AN ACT TO GRANT FREE PATENTS TO OCCUPANTS OF PUBLIC AGRICULTURAL LAND SINCE OR PRIOR TO JULY FOURTH NINETEEN HUNDRED AND FORTY-FIVE. Approved June 21, 1952.

[32] DENR records, pp. 382-388.

[33] 752 Phil. 439, 447 (2015) citing *AFP Retirement and Separation Benefits System (AFP-RSBS) v. Republic*, 738 Phil. 143, 150-153 (2014).

owner prior to the determination that the property is alienable and disposable agricultural land. Thus, the computation of the period of possession may include the period of adverse possession prior to the declaration that the land is alienable and disposable. Though at the time of his application, the subject property was not yet classified as alienable and disposable, the subsequent declaration thereof should be considered in Antero's favor whose free patent application was still pending and subsisting at that time and is not canceled up to this time.[34]

In addition, herein petitioners acquired their supposed right or interest over the subject property from the widow of Bayaua. Notably, Bayaua had not filed his answer in the cadastral proceedings of Lot No. 4967. Hence, Bayaua or his widow, Cavinian, had no right or interest to over Lot No. 4967-C that they could transfer to petitioners. Also, the cases of *Balboa* and *Quinsay* are not applicable to the case at bar as the said cases involved homestead patent applications under Act No. 926 and Act No. 2874, respectively, while the present case is a free patent application filed under C.A. No. 141, as amended.

Finally, as regards the issue of the indefeasibility of petitioners' title, we agree with the CA that a discussion on the same is not proper here. As correctly observed by the appellate court, the only issue in this case is whether or not Antero has vested rights over the subject properties on the basis of his free patent application which was never cancelled.[35] The issue regarding petitioners' certificates of title was only brought to fore in their Motion for Reconsideration before the appellate court.[36]

---

[34] *AFP Retirement and Separation Benefits System (AFP-RSBS) v. Republic, id.*

[35] CA *rollo*, p. 367.

[36] *Id.* at 250-251.

The grounds in petitioners' Appeal Memorandum before the Office of the President were:

1. There are facts and circumstances, the significance and importance of which have not been properly considered and understood;

Based on the foregoing, We see no reason to deviate from the ruling of the appellate court which sustained the findings of the DENR and the OP to accord preference over the free patent application filed by Antero over Lot No. 4967-C against herein petitioners.

WHEREFORE, the Petition is **DENIED**. The assailed April 19, 2011 Decision and March 30, 2012 Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 104307 are hereby **AFFIRMED**. Costs on petitioners.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., is on official leave.

---

2. That the term "vested right" upon which the questioned decision was anchored was not properly understood and applied in the instant case; and

3. That there are conclusions and findings of fact which are based on surmises, speculations and conjectures and not supported by the evidence on record and the law. (*Id.* at 49.)

The grounds raised in their Petition for Review before the CA were as follows:

Whether or not the Office of the President committed serious errors of facts and law in denying Petitioners' Appeal in ruling that:

1) The Free Patent Application No. V-8500 (the "FPA") of Antero Catabas should be given preference over the applications of Petitioners because Antero Catabas has vested rights over the subject properties; and

2) There was actual fraud and bad faith on the part of the Petitioners in procuring the early processing of their public land applications leading to the issuance of their respective titles. (*Id.* at 29.)

SECOND DIVISION

[G.R. No. 203990. August 24, 2020]

PRYCE PROPERTIES CORP. (now PRYCE CORPORATION), *petitioner*, *vs.* **NARCISO R. NOLASCO, JR.,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; PETITION FOR REVIEW ON *CERTIORARI*; QUESTIONS OF FACT ARE IMPROPER THEREIN.—** Nolasco is accurate in ascribing technical infirmities upon Pryce's Petition for Review. It is long-settled that questions of fact have no place in petitions for review on *certiorari* under Rule 45 of the Rules of Court. By posing issues against the lower courts' appreciation of the contract between the parties and the manner of its rescission, Pryce necessarily invited a misplaced revisit of the factual issues of the case. As such, the petition at hand easily crumbles upon its faulty procedural foundation alone.

2. **CIVIL LAW; SALES; REPUBLIC ACT 6552 (REALTY INSTALLMENT BUYER PROTECTION ACT); SECTION 4 THEREOF; CONDITIONS BEFORE A SELLER MAY CANCEL A CONTRACT THEREUNDER.—** The Realty Installment Buyer Protection Act, otherwise known as RA 6552 or the Maceda Law, protects "buyers of real estate on installment payments against onerous and oppressive conditions." One of the legal features of RA 6552 is Section 4 thereof, which provides for the remedies of a defaulting buyer that has paid less than two years of installment amortizations for a purchase of real property. x x x Section 4 of RA 6552 requires four (4) conditions before the seller may actually cancel the contract thereunder: *first*, the defaulting **buyer has paid less than two (2) years of installments**; *second*, the seller must give such defaulting buyer a **sixty (60)-day grace period**, reckoned from the date the installment became due; *third*, if the buyer fails to pay the installments due at the expiration of the said grace period, the seller must give the buyer a **notice of cancellation and/or a demand for rescission by notarial act**; and *fourth*, the seller may actually cancel the contract only after the **lapse of thirty**

(30) days from the buyer's receipt of the said notice of cancellation and/or demand for rescission by notarial act.

3. **ID.; ID.; ID.; NOTARIAL RESCISSION; A UNILATERAL CANCELLATION BY A SELLER OF PERFECTED CONTRACT THEREUNDER ACKNOWLEDGED BY A NOTARY PUBLIC AND ACCOMPANIED BY COMPETENT EVIDENCE OF IDENTITY; CASE AT BAR.—** A notarial rescission contemplated under RA 6552 is a unilateral cancellation by a seller of a perfected contract thereunder acknowledged by a notary public and accompanied by competent evidence of identity. This notarial notice of rescission has peculiar technical requirements. We find that Pryce violated all of them. *Orbe v. Filinvest Land, Inc.* (Orbe), an analogous case hereto, declared that the notarial act converting the private notice of cancellation into a public one must be an acknowledgment. "[A]n acknowledgment is the act of one who has executed a deed in going before some competent officer or court and declaring it to be his[/her] act or deed. This is specially so if the rescinding seller is a juridical person acting through its officers, since acknowledgments, as defined under Section 1, Rule II of A.M. No. 02-8-13-SC or the 2004 Rules on Notarial Practice, particularly cover and validate such representative capacity. x x x Pryce's Answer with Counterclaims, however, was notarized through a *jurat*. A *jurat* is that part of an affidavit in which the notary certifies that before him or her, the document was subscribed and sworn to by the executor.

4. **ID.; ID.; ID.; ID.; DEED OF RESCISSION, DISTINGUISHED FROM AN ALLEGATION OF RESCISSION.—** Rescission is an act or a deed, directly or impliedly done, where a contract is cancelled, annulled, or abrogated by the parties, one of them, or by the court. An act or a deed of rescission is distinct and separate from an allegation of rescission, an allegation being an assertion, declaration, or statement of a party to an action, contained generally in an affidavit or a legal pleading, setting out what is yet to be proven. Under notarial rules, acknowledgments cover written deeds and acts, whereas *jurat*s confirm affidavits and pleadings. The foregoing thus defined, a deed of rescission notarized *via* acknowledgment is already a piece of evidence all on its own. On the other hand, an allegation of rescission contained in an affidavit or a pleading and confirmed

by a notarial *jurat* still remains to be proved; it merely implies that the signatory thereof sets out to prove the fact of the rescission before a notary public.

5. **ID.; ID.; ID.; ID.; COMMUNITY TAX CERTIFICATES OR *CEDULAS* ARE IMPERMISSIBLE PROOF OF IDENTITY FOR THEIR ESTABLISHED UNRELIABILITY AND THE CONSIDERABLE EASE IN SECURING THEIR ISSUANCE, THEREBY JUSTIFYING THEIR EVENTUAL EXCLUSION FROM THE LIST OF COMPETENT EVIDENCE OF IDENTITY THAT NOTARIES PUBLIC SHOULD USE IN ASCERTAINING THE IDENTITY OF PERSONS APPEARING BEFORE THEM.—** Community Tax Certificates, or *cedulas*, are documents issued by a local government to every person or corporation upon payment of the community tax, or to any person or corporation not subject to the community tax upon payment of one peso (₱1.00). Citing *Baylon v. Almo*, *Orbe* condemned *cedulas* as impermissible proof of identity for its established unreliability and the considerable ease in securing its issuance, thereby justifying their eventual exclusion from the list of competent evidence of identity that notaries public should use in ascertaining the identity of persons appearing before them.

6. **ID.; CONTRACTS; RESCISSION; BEING A MODE OF NULLIFYING CONTRACTS AND THEIR CORRELATIVE RIGHTS AND OBLIGATIONS, RESCISSION MUST BE CONVEYED IN AN UNEQUIVOCAL MANNER AND COUCHED IN UNMISTAKABLE TERMS.—** Rescission unmakes a contract. Necessarily, the rights and obligations emanating from a rescinded contract are extinguished. Being a mode of nullifying contracts and their correlative rights and obligations, rescission thus must be conveyed in an unequivocal manner and couched in unmistakable terms. This is so as not to restrict the parties therein to mere guesswork in determining their contractual status, in mapping out their causes of action, if any, against each other, in deciding on their remedies should they be aggrieved by the rescission and find the need for redress, and in estimating the prescriptive periods of such legal remedies. Basic fairness empowers this rule.

7. **ID.; SALES; REPUBLIC ACT NO. 6552 (REALTY INSTALLMENT BUYER PROTECTION ACT); SECTION**

6 THEREOF; THREE COMMON LEGAL REMEDIES IN THE ABSENCE OF A VALID RESCISSION.— In summary and only for purposes of brevity, We point out that a defaulting buyer of real property on installments, whether or not she or he has paid two (2) years of installments, has three (3) common legal remedies in the absence of a valid rescission, granted by Section 6 of RA 6552 and jurisprudence: (a) Pay in advance any installment at any time, necessarily without interest; (b) Pay the full unpaid balance of the purchase price at any time without interest, and to have such full payment of the purchase price annotated in the certificate of title covering the real property subject of the transaction under RA 9552; or (c) Claim an equitable refund of prior payments and/or deposits made by the defaulting buyer to the seller pertinent to their transaction under RA 9552, if any.

APPEARANCES OF COUNSEL

Dela Serna & Associates Law Offices for petitioner.
Mateo G. Delegencia Law Office & Associates for respondent.

D E C I S I O N

HERNANDO, *J.*:

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court seeking to reverse and set aside the May 30, 2012 Decision[2] and the September 26, 2012 Resolution[3] of the Court of Appeals (CA) in CA-G.R. CV No. 76091-MIN, which affirmed with modifications the June 7, 2002 Decision[4] of

---

[1] *Rollo*, pp. 3-19.

[2] *Id.* at 21-36; penned by Associate Justice Marilyn B. Lagura-Yap and concurred in by Associate Justices Edgardo A. Camello and Melchor Q.C. Sadang.

[3] *Id.* at 38-39; penned by Associate Justice Marilyn B. Lagura-Yap and concurred in by Associate Justices Edgardo A. Camello and Renato C. Francisco.

[4] CA *rollo*, pp. 40-46.

the Regional Trial Court (RTC), Branch 24 of Cagayan de Oro City and denied the Motion for Reconsideration of the May 30, 2012 CA Decision, respectively.

Facts:

The case stemmed from a complaint for recovery of a sum of money (Complaint)[5] filed by Narciso R. Nolasco, Jr. (Nolasco) on January 22, 1999 before the RTC against Pryce Corporation, formerly Pryce Properties Corporation (Pryce).

Nolasco alleged the following in his Complaint: in 1995, he purchased three lots located in Cagayan de Oro City from Pryce; also in 1995, he deposited a total amount of ₱393,435.00 through check payments in favor of Pryce; the latter did not deliver to Nolasco the copies of the lots' certificates of title and their sales agreement; he was surprised, frustrated, and dismayed when he finally received the sales agreement, as it contained unacceptable conditions to which he conveyed his objections to Pryce; since he had not yet signed the sales agreement, there was still no meeting of the minds between him and Pryce; and that despite demands for refund of his deposit payments, Pryce failed to comply. Nolasco also sought the amounts of ₱100,000.00 as moral damages, ₱50,000.00 as exemplary damages, and ₱50,000.00 as attorney's fees.

Pryce filed an Answer with Counterclaims.[6] It countered that Nolasco could not yet be issued certificates of title since their transaction was not a contract of sale but a contract to sell. Nolasco was allegedly furnished a copy of the *Contract to Sell* as early as November 8, 1995, which he signed and even requested for an amended *Contract to Sell* to reflect a new amortization schedule. Nolasco, under Republic Act No. 6552 (RA 6552) or the Maceda Law, was not entitled to a refund of his deposits since he failed to complete the payments within the grace period provided by Pryce, resulting in their forfeiture and the rescission of the contract to sell. By way of counterclaims, Pryce held

---

[5] Records, pp. 3-7.

[6] *Id.* at 49-57.

Nolasco liable for ₱2,000,000.00 as moral damages, at least ₱200,000.00 as exemplary damages, at least ₱100,000.00 as attorney's fees, and at least ₱200,000.00 as litigation costs.

During pre-trial, the parties stipulated on the following, as reflected in the Pre-Trial Order:[7]

1. That plaintiff has not signed a contract to sell with defendant Pryce, admitted;

2. That in the month of September 1997, plaintiff wrote defendant Pryce that he is no longer proceeding with the contract and that he is withdrawing the amount of ₱393,000.00, admitted as to receipt;

3. Receipt of the letter dated March 10, 1997 addressed to Saturnina Omandap, admitted;

4. As to the receipt of third letter, admitted;

5. Receipt of plaintiff's letter to defendant, admitted;

6. That plaintiff [gave] defendant Pryce ₱393,000.00 and signed the request for rescission on July 29, 1995 with a downpayment of ₱145,000.00, admitted;

7. That on August 1995 plaintiff made another reservation fee of ₱20,000.00, admitted;

8. That plaintiff was issued a provisional receipt of ₱20,000.00, admitted;

9. That on August 19, 1995, plaintiff again made a reservation of ₱40,000.00, admitted;

10. That plaintiff received from defendant Pryce a copy of title, Tax Declaration and sketches of the three (3) lots, admitted;

11. That plaintiff sent a letter dated November 8, 1995 to defendant informing the lat[t]er that the balance of the total lot price will be financed by one of its bank *[sic]*, admitted as to the receipt of the latter;

12. That plaintiff received another letter dated November 10, 1995 advising him that the defendant is still processing the titles and that there is no need to amend the contract since a deed of absolute sale

[7] *Id.* at 179-181.

will be executed once the bank pays the balance of the total price, admitted as to receipt;

13. That in a letter dated March 21, 1996, Mr. M. Cinco Marketing [Manager] of defendant provided plaintiff the computation of the full payment of the lots. He also advised plaintiff that since he was already given six months to arrange his financing, he has only two weeks to effect complete payment, admitted as to receipt of the letter;

14. That in a letter dated April 16, 1996 Landbank informed defendant that the loan application of the plaintiff and his spouse is still on process, admitted as to receipt of letter;

1[5]. That plaintiff raised objections regarding heights of the houses and the 1.5 meter easement on February 12, 1997, admitted;

1[6]. That plaintiff was not able to secure a loan from Landbank of the Philippines for the financing of the subject subdivision lots, admitted;

1[7]. That plaintiff received a letter dated December 5, 1998 from defendant informing the former that he had failed to pay his installment payments since October 1995 and that he was given sixty (60) days from December 5, 1998 or until February 5, 1999 within which to pay his installment payment otherwise defendant will be constrained x x x to rescind the contract consistent with Sec. 4 of Rep. Act. No. 6552 (Maceda Law), admitted as to receipt of the latter;

1[8]. That plaintiff has not fully paid the total consideration of the subject lots despite demand, admitted as to receipt of the l[a]tter.

Finding that the sole issue for resolution is whether Pryce is liable to refund to Nolasco the amounts he deposited plus interest, the RTC forwent with the trial and ordered the parties to submit their respective memoranda.[8]

Ruling of the Regional Trial Court:

The RTC ruled in favor of Nolasco. It found that there had been a perfected contract of sale between Nolasco and Pryce pursuant to Article 1482 of the Civil Code. It also ruled that under RA 6552 or the Maceda Law, Pryce can rescind the contract of sale for failure of Nolasco to pay at least two (2)

---

[8] *Id.* at 223.

years of installments to Pryce. The latter, however, did not rescind the contract. As regards the issue of refund of the payments he made to Pryce, the RTC declared Nolasco as entitled thereto, citing jurisprudence and Article 1191 of the Civil Code.The June 7, 2002 RTC Decision[9] pronounced as follows:

> WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff and against defendant PRYCE CORPORATION ordering the said PRYCE PROPERTIES CORPORATION to pay to plaintiff Narciso R. Nolasco, Jr. the sum of ₱393,435.00 with interest of 12% starting from the filing of this case on January 22, 1999 until fully paid.
>
> Prayer for moral damages in the sum of ₱100,000.00; ₱50,000.00 for exemplary damages and ₱50,000.00 for attorney's fee is hereby denied there being no proof that defendant was actuated with malice and evident bad faith in refusing to refund plaintiff of his deposits.
>
> SO ORDERED.[10]

Pryce appealed to the CA[11] asserting that the contract in issue was a contract to sell and not a contract of sale. It maintained that it had properly rescinded the contract in accordance with RA 6552 and that Nolasco was not entitled to a refund.

Ruling of the Court of Appeals:

The CA affirmed the RTC in part. The CA found that the contract entered into by Pryce and Nolasco was a contract to sell. The CA nonetheless upheld Nolasco's entitlement to a refund, as Pryce did not exercise the remedy of cancellation under RA 6552 and under equity considerations. The CA also updated the interest on the monetary award granted to Nolasco pursuant to the pronouncement in *Eastern Shipping Lines, Inc. v. Court of Appeals*.[12] The dispositive portion of the May 30, 2012 CA Decision reads:

---

[9] CA *rollo*, pp. 40-46.

[10] *Id.* at 46.

[11] *Id.* at 15-39.

[12] 304 Phil. 236 (1994).

WHEREFORE, the appeal is **DENIED**. The Decision dated June 7, 2002 rendered by the Regional Trial Court of Cagayan de Oro City, Branch 24, is hereby **AFFIRMED** with **MODIFICATION**. Pryce Properties Corporation (now Pryce Corporation) is hereby **ORDERED** to return to Narciso Nolasco, Jr., the sum of ₱393,435.00 with interest at 6% per annum from the date of judicial demand or on January 22, 1999. Thereafter, upon the finality of the decision of this Court, the legal interest upon the award shall be 12% per annum until its satisfaction. Costs against appellant.

SO ORDERED.[13]

The CA denied Pryce's Motion for Reconsideration.[14] Pryce proceeds to Us for the review of the CA Decision and Resolution.

Petitioner's Arguments:

Petitioner Pryce maintains that respondent Nolasco impliedly agreed to the unsigned *Contract to Sell* and harks on the applicability of RA 6552 or the Maceda Law. It posits that Nolasco is not entitled to a refund of his installment payments because there was a valid rescission of the *Contract to Sell* when Pryce sent Nolasco its December 5, 1998 letter and raised the affirmative defense to deny Nolasco's claim for refund in its Answer with Counterclaims to the Complaint before the RTC. Pryce thus maintains that Nolasco has forfeited his deposit payments in favor of Pryce.

Respondent's Arguments:

Respondent Nolasco alleges that petitioner Pryce raised questions of fact, failed to interpose any question of law, and did not claim any of the exceptions favoring a generally-prohibited factual review under Rule 45. While admitting that he entered into a contract to sell with Pryce, Nolasco asserts that the CA correctly found that he did not sign a written *Contract to Sell* and that he is entitled to a refund of the down payments he made to Pryce.

---

[13] *Rollo*, pp. 35-36.

[14] *Id.* at 38-39.

Issues

We resolve whether the contract between Pryce and Nolasco was rescinded in accordance with RA 6552 and whether petitioner Pryce should refund respondent Nolasco.

The Court's Ruling

We affirm with modification the CA ruling.

Factual issues improper in a Rule 45 petition.

Nolasco is accurate in ascribing technical infirmities upon Pryce's Petition for Review. It is long-settled that questions of fact have no place in petitions for review on *certiorari* under Rule 45 of the Rules of Court. By posing issues against the lower courts' appreciation of the contract between the parties and the manner of its rescission, Pryce necessarily invited a misplaced revisit of the factual issues of the case. As such, the petition at hand easily crumbles upon its faulty procedural foundation alone.

Even if these questions of fact would be entertained, the appeal remains unmeritorious.

Contract to sell between Pryce and Nolasco, not validly cancelled.

The Realty Installment Buyer Protection Act, otherwise known as RA 6552 or the Maceda Law, protects "buyers of real estate on installment payments against onerous and oppressive conditions." One of the legal features of RA 6552 is Section 4 thereof, which provides for the remedies of a defaulting buyer that has paid less than two years of installment amortizations for a purchase of real property:

Section 4. In case where less than two years of installments were paid, the seller shall give the buyer a grace period of not less than sixty days from the date the installment became due.

If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after thirty days

from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Section 4 of RA 6552 requires four (4) conditions before the seller may actually cancel the contract thereunder: *first*, the defaulting **buyer has paid less than two (2) years of installments**; *second*, the seller must give such defaulting buyer a **sixty (60)-day grace period**, reckoned from the date the installment became due; *third*, if the buyer fails to pay the installments due at the expiration of the said grace period, the seller must give the buyer a **notice of cancellation and/or a demand for rescission by notarial act**; and *fourth*, the seller may actually cancel the contract only after the **lapse of thirty (30) days from the buyer's receipt of the said notice** of cancellation and/or demand for rescission by notarial act.

In claiming that it had validly rescinded its contract to sell with Nolasco, Pryce relies on two documents: a written *Contract to Sell*, which sets out an automatic cancellation provision in case of default and which Pryce alleges that Nolasco impliedly agreed to, and its denial of the refund as asserted in its Answer with Counterclaims against Nolasco's Complaint before the RTC.

Both documents, however, fail Pryce.

The written Contract to Sell *is ineffectual.*

Pryce insists on the application of the written *Contract to Sell*. We quote the pertinent stipulation thereunder, *viz.*:[15]

14. **AUTOMATIC CANCELLATION FOR FAILURE TO PAY ANY MONTHLY INSTALLMENT TOGETHER WITH INTEREST, TAXES OR ASSESSMENT**. Without prejudice to the rights of the SELLER to consider this contract as automatically cancelled under Paragraph 16 hereof, it is herein stipulated that should the BUYER fail for any reason to make payment of any of the monthly installments together with the interest, taxes and assessments thereon

[15] Per Appellant's Brief before the CA, p. 16 thereof, CA *rollo*, p. 32.

as provided in this contract, the rights and obligations of the parties hereto shall be as follows:

(A) Where the BUYER shall have paid less than two years of installments prior to his default, he **shall have a grace period of sixty (60) days** from the date the monthly installment become due. **Should the SELLER not actually receive payment within the Sixty (60)-day grace period, this contract shall be considered automatically cancelled thirty (30) days after service by SELLER to the BUYER of a notarized notice of cancellation or rescission**, in which event any and all sums of money paid under this contract together with all the improvements made on the premises shall become rentals of the property. **The sending of such notice by registered mail to the BUYER's above address shall be deemed sufficient service thereof for the purpose, irrespective of whether or not it was personally or actually received by the BUYER**.

(Emphasis supplied.)

There is no dispute as to whether the parties herein have forged and perfected an unwritten contract to sell. The CA correctly decided this question in the affirmative. Contracts are created upon agreement between consenting parties and generally do not require it to be reduced into writing to validate its existence.

Nonetheless, Pryce must be enlightened that the written *Contract to Sell* did not and does not bind Nolasco for the following reasons.

First, the highlighted conditions in the *Contract to Sell* conflict with RA 6552, which dictates "receipt" and not "service" of the notice of rescission to the buyer as the reckoning point of the thirty (30)-day period before actual cancellation. Pryce's *Contract to Sell* even dispensed with this legal requirement of receipt by deeming mere service by registered mail as sufficient proof of service and constructive receipt. For being contrary to Section 4 of RA 6552, these stipulations are rendered null and void,[16] and the general provisions governing a contract to sell under RA 6552 shall govern.

---

[16] Section 7 [of RA 6552]. Any stipulation in any contract hereafter entered into contrary to the provisions of Sections 3, 4, 5 and 6, shall be null and void.

Moreover, it was not signed by Nolasco. Even if so signed, the *Contract to Sell* was not worded to effect its automatic cancellation upon Nolasco's default. While the word *automatic cancellation* implies unconditionality, the body of the above contractual stipulation betrays its title. The entire provision practically mirrored the demands of Section 4 of RA 6552: defaulting buyer paid less than two (2) years of installments, a grace period of sixty (60) days, a service of a notarial notice of cancellation or rescission, and a lapse of thirty (30) days from the said service of notice of cancellation or rescission.

There was compliance with the first and second requisites when Pryce sent Nolasco, a defaulting buyer whose payments did not amount to two years' worth of installments, its December 5, 1998 letter[17] giving him sixty (60) days to make good on his obligation. Pryce, however, did not meet the last two conditions. As properly determined by the CA, there was no notice of notarial rescission served upon Nolasco. Necessarily, thirty (30) days could not have lapsed from a non-existent service of such notice.

Pryce's Answer with Counterclaims cannot be deemed as a notarial rescission under RA 6552.

Pryce continues to argue that its Answer with Counterclaims to Nolasco's Complaint contained the notarial rescission required by law. There was allegedly no opportunity for Pryce to serve the same since Nolasco already filed his Complaint for refund even before the sixty (60)-day grace period expired. We disagree.

A notarial rescission contemplated under RA 6552 is a unilateral cancellation by a seller of a perfected contract thereunder acknowledged by a notary public and accompanied by competent evidence of identity.[18] This notarial notice of rescission has peculiar technical requirements. We find that Pryce violated all of them.

---

[17] Records, p. 59.

[18] *Orbe v. Filinvest Land, Inc.*, 817 Phil. 934, 959-965 (2017).

Orbe v. Filinvest Land, Inc.[19] (Orbe), an analogous case hereto, declared that the notarial act converting the private notice of cancellation into a public one must be an acknowledgment. "[A]n acknowledgment is the act of one who has executed a deed in going before some competent officer or court and declaring it to be his[/her] act or deed.[20] This is specially so if the rescinding seller is a juridical person acting through its officers, since acknowledgments, as defined under Section 1, Rule II of A.M. No. 02-8-13-SC or the 2004 Rules on Notarial Practice, particularly cover and validate such representative capacity, *viz.*:

SECTION 1. *Acknowledgment*. — "Acknowledgment" refers to an act in which an individual on a single occasion:

(a) appears in person before the notary public and presents an integrally complete instrument or document;

(b) is attested to be personally known to the notary public or identified by the notary public through competent evidence of identity as defined by these Rules; and

(c) represents to the notary public that the signature on the instrument or document was voluntarily affixed by him for the purposes stated in the instrument or document, declares that he has executed the instrument or document as his free and voluntary act and deed, **and, if he acts in a particular representative capacity, that he has the authority to sign in that capacity**. (Emphasis supplied.)

Pryce's Answer with Counterclaims, however, was notarized through a *jurat*. A *jurat* is that part of an affidavit in which the notary certifies that before him or her, the document was subscribed and sworn to by the executor.[21] Rule II, Section 6 of the 2004 Rules on Notarial Practice more particularly defines it as follows:

---

[19] *Id.* at 958-960.

[20] *Malvar v. Baleros*, 807 Phil. 16, 29 (2017), citing *In-N-Out Burger, Inc. v. Sehwani, Incorporated*, 595 Phil. 1119, 1139 (2008).

[21] *Id.* at 960-961.

SECTION 6. *Jurat*. — "*Jurat*" refers to an act in which an individual on a single occasion:

(a) appears in person before the notary public and presents an instrument or document;

(b) is personally known to the notary public or identified by the notary public through competent evidence of identity as defined by these Rules;

(c) signs the instrument or document in the presence of the notary; and

(d) takes an oath or affirmation before the notary public as to such instrument or document.

Rescission is an act or a deed, directly or impliedly done, where a contract is cancelled, annulled, or abrogated by the parties, one of them, or by the court.[22] An act or a deed of rescission is distinct and separate from an allegation of rescission, an allegation being an assertion, declaration, or statement of a party to an action, contained generally in an affidavit or a legal pleading, setting out what is yet to be proven.[23] Under notarial rules, acknowledgments cover written deeds and acts, whereas *jurats* confirm affidavits and pleadings.

The foregoing thus defined, a deed of rescission notarized *via* acknowledgment is already a piece of evidence all on its own. On the other hand, an allegation of rescission contained in an affidavit or a pleading and confirmed by a notarial *jurat* still remains to be proved; it merely implies that the signatory thereof sets out to prove the fact of the rescission before a notary public.

Here, Pryce only alleged the fact of rescission in its Answer with Counterclaims without further evidence that would adequately determine its truth. It is not the independent notarial rescission contemplated by RA 6552.

Even if We deem the Answer with Counterclaims as a deed of rescission, *jurats* will not suffice for its conversion into a

---

[22] See *Black's Law Dictionary*, Eighth Edition (2004) and *Bouvier's Law Dictionary and Concise Encyclopedia*, Volume II, Third Revision (1914).

[23] *Orbe v. Filinvest Land, Inc., supra* note 18 at 959-964.

notarial act of rescission under RA 6552. Pryce, through its Senior Vice-President, had its Answer with Counterclaims notarized *via* a *jurat*:

> SUBSCRIBED AND SWORN to before me this [June 11, 1999] at Makati City, affiant/counterclaimant exhibited to me his Community Tax Certificates as above indicated.[24]

Following *Orbe*, the delegated function of the Senior Vice President of executing a purported notice of rescission in behalf of Pryce cannot be verified by a mere *jurat*, simply because the wordings of *jurats*, unlike that of acknowledgments, do not allow or recognize representative capacities.

Another fault is readily apparent from the immediately foregoing — the affiant for Pryce's Answer with Counterclaims presented a Community Tax Certificate as his competent evidence of identity. Community Tax Certificates, or *cedulas*, are documents issued by a local government to every person or corporation upon payment of the community tax, or to any person or corporation not subject to the community tax upon payment of one peso (₱1.00).[25] Citing *Baylon v. Almo*,[26] *Orbe* condemned *cedulas* as impermissible proof of identity for its established unreliability and the considerable ease in securing its issuance, thereby justifying their eventual exclusion from the list of competent evidence of identity[27] that notaries public should use in ascertaining the identity of persons appearing before them.[28]

Having secured a mere *jurat* to notarize the supposed "notice of rescission" as embodied in its Answer with Counterclaims and verifying the same upon an incompetent proof of identity, Pryce executed a fatally infirm notarial rescission.

---

[24] Records, p. 57.

[25] Section 162, Republic Act No. 7160 or the Local Government Code.

[26] 578 Phil. 238 (2008).

[27] *Orbe v. Filinvest Land, Inc., supra* note 18 at 962.

[28] *Id.* at 962-963.

Even if these formal delinquencies were to be overlooked, the mode of rescission itself as claimed by Pryce remains questionable.

As earlier discussed, the allegations contained in Pryce's Answer with Counterclaims cannot constitute as substantial notice of rescission of its contract to sell with Nolasco. Suffice it to state that nothing in the said pleading elicited a clear and positive notification to Nolasco that Pryce was rescinding the contract to sell.

Moreover, allegations in a pleading must be proved. While Pryce appended to its Answer with Counterclaims its December 5, 1998 letter to Nolasco, its wordings do not firmly establish such claim of rescission:

> We wish to inform you that the installment payment on your lot is due every first five (5) days of the month. In view of this schedule, your installment payment for the month is due on the first week of the current month, December 1998.
>
> We are, however, disheartened by your payment history because you have consistently failed to pay your installment payments since October 1995. In this regard, you are hereby given sixty (60) days from December 05, 1998 or until February 05, 1999 within which to pay your installment payment. **Should you fail to tender said installment payment within the sixty (60)-day period, we will be constrained to rescind the oral contract you entered into with Pryce**, consistent with Section 4 of Rep. Act No. 9552 (the "Maceda Law").[29] (Emphasis supplied.)

The CA properly dismissed this letter as devoid of a rescinding tenor, as follows:

> The only demand made by Pryce following Nolasco's default was contained in the letter dated December 5, 1998. In the said letter, Pryce warned Nolasco that it shall be constrained to rescind the oral contract Nolasco has entered with Pryce, consistent with Section 4 of the Maceda law. This letter did not comply with the Notarial Act as expressly required by the Maceda law. It is established that a demand letter is not the same as the notice of cancellation or demand for

---

[29] Records, p. 59.

rescission by a notarial act required by R.A. No. 6552. It bears to note that even in its Answer to the instant Complaint for recovery of sum of money, Pryce failed to raise as counterclaim its right to cancel the contract to sell.[30]

Rescission unmakes a contract. Necessarily, the rights and obligations emanating from a rescinded contract are extinguished. Being a mode of nullifying contracts and their correlative rights and obligations, rescission thus must be conveyed in an unequivocal manner and couched in unmistakable terms. This is so as not to restrict the parties therein to mere guesswork in determining their contractual status, in mapping out their causes of action, if any, against each other, in deciding on their remedies should they be aggrieved by the rescission and find the need for redress, and in estimating the prescriptive periods of such legal remedies. Basic fairness empowers this rule.

Here, both Nolasco and Pryce were left in a legal haze due to the vagueness of their standing under the contract to sell. The effects of an absent notice of rescission are predictably messy — Nolasco did not wait or expect to receive any notice of cancellation from Pryce and immediately filed a claim for recovery of his deposit payments, and Pryce now struggles in futility to establish a rescission that has actually failed to properly materialize under RA 6552.

In the same vein, Pryce cannot assert that the service of its notice of rescission to Nolasco was pre-empted when the latter filed his Complaint for recovery of a sum of money before the lapse of the grace period in order to justify the use of the Answer with Counterclaims as its notice of rescission to Nolasco. Worth noting is the timeline of the relevant documents and events:

Letter informing Nolasco of the 60-day grace period	December 5, 1998
Nolasco's Complaint for recovery of a sum of money	January 22, 1999
Lapse of the 60-day grace period	February 5, 1999
Pryce's Answer with Counterclaims	June 11, 1999

[30] *Rollo*, p. 33.

The Answer with Counterclaims containing the alleged notice of rescission to Nolasco had been filed more than four (4) months after the lapse of the sixty (60)-day grace period. The more prudent action that Pryce should have undertaken was to send Nolasco an actual and clear notice of rescission, executed separately from the Answer with Counterclaims and served on February 6, 1999 at the earliest, which was the first day after the expiration of the grace period for payment granted to Nolasco. Alternatively, Pryce could have even appended a separate notice of rescission to the Answer with Counterclaims at the latest. This is not the situation at hand. Pryce's complacency and negligence cost its case.

Basic remedies of a defaulting buyer under Section 6 of RA 6552: Claim refund or pay in advance or in full.

It has been held that in the absence of a lawful rescission of a contract governed by RA 6552, the same remains valid and subsisting.[31]

We affirm the courts below in directing the refund of the deposit payments made by Nolasco to Pryce. While this buyer's option to claim refund is not explicitly mentioned in RA 6552, equity considerations have already filled up this legal vacuum as declared in *Orbe*. In the said case, the buyer therein failed to make at least two years of installment payments in consideration of a purchase of a lot. The seller, however, failed to cancel their contract through a valid notarial act and sold the lot in issue to a third person. The Court, finding the provisions of RA 6552 applicable to the transaction, ordered the refund of the amounts actually paid by the buyer, justifying the same with equitable reasons as laid out by relevant jurisprudence.[32]

It bears mentioning, however, that RA 6552 grants the following rights to real property buyers on installment upon

---

[31] *Orbe v. Filinvest Land, Inc., supra* note 18 at 965.

[32] *Id.* at 965-971 citing *Gatchalian Realty v. Angeles*, 722 Phil. 407 (2013) and *Active Realty Development v. Daroya*, 431 Phil. 753 (2002).

default, whether or not he/she has paid two (2) years' worth of installment payments, as contained in Section 6:

> **Section 6.** The buyer shall have the right to pay in advance any installment or the full unpaid balance of the purchase price any time without interest and to have such full payment of the purchase price annotated in the certificate of title covering the property.

The courts *a quo* left out the discussion of this option of the defaulting buyer to pay advance installments or the full unpaid balance of the purchase price. Rightly so, since Nolasco was firm in his choice to claim a refund by filing at the outset a case for recovery of sum of money against Pryce.

In summary and only for purposes of brevity, We point out that a defaulting buyer of real property on installments, whether or not she or he has paid two (2) years of installments has three (3) common legal remedies in the absence of a valid rescission, granted by Section 6 of RA 6552 and jurisprudence:

> (a) Pay in advance any installment at any time, necessarily without interest;
>
> (b) Pay the full unpaid balance of the purchase price at any time without interest, and to have such full payment of the purchase price annotated in the certificate of title covering the real property subject of the transaction under RA 9552; or
>
> (c) Claim an equitable refund of prior payments and/or deposits made by the defaulting buyer to the seller pertinent to their transaction under RA 9552, if any.

A defaulting buyer enjoys other rights in addition to the foregoing, depending on the status of her or his payments and of the contract.

Under Section 3 of RA 6552, a defaulting buyer that has paid <u>at least two years of installments</u> has the following options:

> (a) To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is hereby fixed at the rate of one month grace period for every one year of installment payments made: *Provided*, That this right shall be exercised by the

buyer only once in every five years of the life of the contract and its extensions, if any.

(b) If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty per cent of the total payments made and, after five years of installments, an additional five per cent every year but not to exceed ninety per cent of the total payments made: *Provided*, That the actual cancellation of the contract shall take place after thirty days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.[33]

Under Section 4 of RA 6552, a defaulting buyer that has paid <u>less than two years of installments</u> is entitled to the following:

(a) The seller shall give the buyer a sixty-day grace period of not less than sixty (60) days to be reckoned from the date the installment became due;

(b) The seller must give the buyer a notice of cancellation/ demand for rescission by notarial act if the buyer fails to pay the installments due at the expiration of the said grace period; and

(c) The seller may actually cancel the contract only after thirty (30) days from the buyer's receipt of the said notice of cancellation/demand for rescission by notarial act.[34]

Finally, a modification of the interest imposed on the amount of refund is proper. Pursuant to *Nacar v. Gallery Frames*,[35] the amount of ₱393,435.00 shall be subject to legal interest at the rate of twelve percent (12%) per *annum* reckoned from the date of judicial demand on January 22, 1999 until June 30, 2013; and six percent (6%) per *annum* from July 1, 2013 until fully paid.

---

[33] See *Orbe v. Filinvest Land, Inc., supra* note 18 at 952-953.

[34] *Id.*

[35] 716 Phil. 267 (2013).

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED**. The assailed May 30, 2012 Decision and the September 26, 2012 Resolution of the Court of Appeals in CA-G.R. CV No. 76091-MIN are **AFFIRMED** with **MODIFICATION** in that the amount of ₱393,435.00 shall be subject to legal interest at the rate of twelve percent (12%) per *annum* reckoned from the date of judicial demand on January 22, 1999 until June 30, 2013; and six percent (6%) per *annum* from July 1, 2013 until fully paid.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

SECOND DIVISION

[G.R. No. 207707. August 24, 2020]

ANTONIO G. NGO, *petitioner*, *vs.* **VISITACION GABELO, ERLINDA ABELLA, PETRA PEREZ, EDUARDO TRAQUENA, ERLINDA TRAQUENA, ULISYS[*] MATEO, ALFONSO PLACIDO, LEONARDO TRAQUENA, SUSANA[**] RENDON, and MATEO TRINIDAD,** *respondents*.

SYLLABUS

POLITICAL LAW; LOCAL GOVERNMENT CODE (RA 7160); BARANGAY CONCILIATION PROCEEDINGS IS A PRE-CONDITION TO FILING A COMPLAINT IN COURT

[*] Also spelled as Ulysis in some parts of the records.

[**] Also spelled as Susan in some parts of the records.

BETWEEN PERSONS ACTUALLY RESIDING IN THE SAME BARANGAY TO EXPLORE POSSIBLE AMICABLE SETTLEMENT. — Republic Act No. 7160 (RA 7160), or the Local Government Code of 1991, provides that barangay conciliation proceedings is a pre-condition to filing a complaint in court between persons actually residing in the same barangay to explore possible amicable settlement. The relevant provisions of RA 7160 in the conduct of barangay conciliation are [provided under Article 409 on Venue and Article 412 on Conciliation] x x x Administrative Circular No. 14-93 enumerated the cases which are not covered by the mandatory barangay conciliation x x x Subject to the [said] exemptions, a party's failure to comply with the requirement of prior barangay conciliation before filing a case in court would render his complaint dismissible on the ground of failure to comply with a condition precedent, pursuant to Section 1 (j), Rule 16 of the Rules of Court x x x Moreover, as a general rule, grounds for disimissal must be invoked by the party-litigant at the earliest opportunity, as in a motion to dismiss or in the answer; otherwise, such grounds are deemed waived. Notably however, such non-compliance of the condition precedent is not jurisdictional. x x x Here, it is undisputed that Ngo failed to submit the matter to prior barangay conciliation before the filing of his complaint in court. Moreover, the case is not among those exempted from the requirement of prior conciliation. Gabelo, *et al*. timely and consistently raised such omission and vigorously invoked the dismissal of the complaint. All these circumstances justified the dismissal of Ngo's complaint.

APPEARANCES OF COUNSEL

A.M. Burigsay Law Office for petitioner.
Rodrigo Marinas, co-counsel for petitioner.
Julio Lopez for respondents.

D E C I S I O N

HERNANDO, *J.*:

Before Us is a *Petition for Review on Certiorari*[1] filed by herein petitioner Antonio G. Ngo (Ngo) assailing the January

[1] *Rollo*, pp. 3-14.

8, 2013 Decision[2] and June 19, 2013 Resolution[3] of the Court of Appeals (CA) in CA-G.R. S.P. No. 117120 which nullified and set aside the April 5, 2010[4] and October 15, 2010[5] Orders of the Regional Trial Court (RTC) of Manila, Branch 45 and dismissed Ngo's complaint for recovery of possession of a parcel of land for his failure to refer the case to prior barangay conciliation.

Factual Antecedents

On September 24, 2008, Ngo filed before the RTC of Manila, Branch 45, a complaint[6] for recovery of possession of a parcel of land covered by Transfer Certificate of Title (TCT) No. 250439 (subject property) against herein respondents Visitacion Gabelo, Erlinda Abella, Petra Perez, Eduardo Traquena, Erlinda Traquena, Ulysis Mateo, Alfonso Placido, Leonardo Traquena, Susana Rendon and Mateo Trinidad (Gabelo, *et al.*).[7]

In his complaint, Ngo alleged that he is the lawful and absolute owner of the subject property by virtue of the Deed of Absolute Sale between himself and Philippine Realty Corporation (PRC) and pursuant to this Court's ruling in G.R. No. 111743. He averred that despite several demands, Gabelo, *et al.*, refused to vacate the subject property.

On the other hand, Gabelo, *et al.*, in their Answer with special Affirmative Defenses and Compulsory Counterclaims[8] maintained that Ngo has no legal personality to sue. Moreover, the Court did not declare him in G.R. No. 111743 as the absolute owner of the subject property but merely identified him as one

---

[2] *Id.* at 19-25; penned by Associate Justice Amelita G. Tolentino and concurred in by Associate Justices Ramon R. Garcia and Danton Q. Bueser.

[3] *Id.* at 26-27.

[4] *Id.* at 109-110; penned by Judge Marcelino L. Sayo, Jr.

[5] *Id.* at 114.

[6] *Id.* at 28-31.

[7] *Id.* at 28.

[8] *Id.* at 95-103.

of those who could buy the lot from PRC. They insisted that Ngo failed to comply with the condition precedent for filing the action since he failed to bring the matter to the barangay for conciliation. Additionally, they averred that the validity of the alleged TCT No. 250439 under the name of Ngo is already being assailed before RTC of Manila Branch 37 and docketed as Civil Case No. 00-98807.[9]

Ruling of the Regional Trial Court:

After pre-trial, the RTC issued an Order[10] dated April 17, 2009 directing the dismissal of the complaint for lack of cause of action, *viz.*:

WHEREFORE, premises considered: the subject Answer with Special/Affirmative Defenses and Compulsory Counterclaims of the defendants shall not be expunged from the records and shall remain as validly filed; the Pre-Trial Brief of the said defendants is hereby ordered EXPUNGED from the records of this case for its failure to comply with the MCLE requirement; and the Complaint is hereby DISMISSED for lack of cause of action for the plaintiff's failure to comply with the barangay law requirements.

SO ORDERED.[11]

The trial court held that, considering that Ngo admitted that the case did not undergo the required barangay conciliation proceedings before it was filed with the court, the complaint should be dismissed accordingly for lack of cause of action. Necessarily, the trial court was empowered to *motu proprio* dismiss the complaint for Ngo's failure to comply with the rules.[12]

Ngo filed his Motion for Reconsideration[13] and alleged that while the trial court indeed had the power to dismiss the

---

[9] *Id.* at 97-98.

[10] *Id.* at 105-106; penned by Judge Marcelino L. Sayo, Jr.

[11] *Id.* at 106.

[12] *Id.*

[13] *Id.* at 107-108.

complaint due to his failure to refer the case to barangay conciliation, the RTC also had the discretion to simply suspend the proceedings and to refer the case to barangay conciliation instead of dismissing outright the complaint.[14]

Persuaded by Ngo's arguments, the RTC in its Order[15] dated April 5, 2010 granted the supplication of Ngo. The dispositive portion of the Order reads:

> **WHEREFORE**, premises considered, the plaintiff's subject MOTION FOR RECONSIDERATION is hereby GRANTED and the Order of this Court dated April 17, 2009 in so far as it ordered the dismissal of the Complaint for lack of cause of action for the plaintiff's failure to comply with the Barangay law requirements is hereby reconsidered and set aside.
>
> Accordingly, the Complaint in this case is hereby reinstated and this case is hereby referred to the Barangay Court/authorities concerned where the herein parties are directed to undergo the proper Barangay conciliation proceedings.
>
> In the meanwhile, the proceedings in this Court are hereby suspended pending the submission of this Court of the corresponding Barangay Certification/Report with regard to the result of said Barangay proceedings.
>
> **SO ORDERED**.[16]

Gabelo, *et al.*, thus filed their Motion to Set Aside/Reconsider Order dated April 5, 2010,[17] arguing that reinstating the complaint of Ngo was a miscarriage of justice because any complaint that failed to comply with the barangay conciliation requirement does not deserve to be given due course or be entertained.[18]

The trial court in its Order[19] dated October 15, 2010 denied the motion for reconsideration filed by Gabelo, *et al.* Thus,

---

[14] *Id.* at 107.

[15] *Id.* at 109-110.

[16] *Id.* at 110.

[17] *Id.* at 111-113.

[18] *Id.* at 112.

[19] *Id.* at 114.

the latter filed a Petition for *Certiorari*[20] before the CA assailing the April 5, 2010 and October 15, 2010 Orders of the RTC sustaining the reinstatement of the complaint and the referral of the case to barangay conciliation.[21]

The Ruling of the Court of Appeals

The appellate court granted Gabelo, *et al.'s* Petition. It found that indeed, the RTC committed grave abuse of discretion in issuing the assailed Orders.

The CA ratiocinated that the barangay justice system was established primarily as a means of easing up the congestion of cases in judicial courts and for it to be truly effective it should be made compulsory. Moreover, the Local Government Code expressly mandated resort to that barangay conciliation proceedings is a precondition to the filing of complaints for disputes between parties actually residing in the same city or municipality and non-compliance therewith could affect the sufficiency of the plaintiff's cause of action. Even after Gabelo, *et al.*, filed their Answer and raised as an affirmative defense Ngo's failure to comply with the condition precedent of barangay conciliation, the RTC did not dismiss the complaint but merely suspended the proceedings and referred the case to barangay conciliation, which amounts to grave abuse of discretion.

The dispositive portion of the assailed January 8, 2013 Decision of the CA states:

> **WHEREFORE**, premises considered, the petition is **GRANTED**. The orders dated April 5, 2010 and October 15, 2010, both issued by the Regional Trial Court (RTC), Branch 45 of Manila are **NULLIFIED** and **SET ASIDE**. The complaint for recovery of possession is dismissed for failure to comply with the Barangay Justice Law.
>
> **SO ORDERED**.[22]

---

[20] CA *rollo*, pp. 3-10.

[21] *Id.* at 5-6.

[22] *Rollo*, p. 24.

Unsatisfied with the ruling of the CA, Ngo filed his Motion for Reconsideration[23] but it was denied by the appellate court.[24] Hence, this Petition for Review on *Certiorari* before this Court.

Our Ruling

The petition is denied.

Ngo asserts that the CA erred in nullifying the Orders of the RTC and in dismissing the complaint for recovery and possession of property because of his failure to comply with the barangay conciliation requirement. He argues that the CA failed to apply this Court's ruling in *Sps. Santos v. Sps. Lumbao*[25] which provided that failing to file a Motion to Dismiss on account of failure to comply with a condition precedent constitutes waiver on the part of the defendant. Finally, he asserts that considering his subsequent compliance with the barangay conciliation requirement during the pendency of the case in the CA, the petition in the appellate court was rendered moot and academic.[26]

The arguments of Ngo deserve scant consideration.

We emphasize at the outset that procedural rules are essential in the administration of justice. They do not exist for the convenience of the litigants and they were established primarily to provide order to, and enhance the efficiency of, our judicial system.[27] These rules exist for a reason and were not merely invented out of whims. In *Santos v. Court of Appeals*,[28] this Court held that:

Procedural rules are not to be disdained as mere technicalities that may be ignored at will to suit the convenience of a party. Adjective

---

[23] CA *rollo*, pp. 135-139.

[24] *Rollo*, pp. 26-27.

[25] 548 Phil. 332, 345-346 (2007).

[26] *Rollo*, pp. 7-11.

[27] See *Malixi v. Baltazar*, G.R. No. 208224, November 22, 2017, 846 SCRA 244, 256-258.

[28] 275 Phil. 894 (1991).

law is important in insuring the effective enforcement of substantive rights through the orderly and speedy administration of justice. These rules are not intended to hamper litigants or complicate litigation but, indeed, to provide for a system under which suitors may be heard in the correct form and manner and at the prescribed time in a peaceful confrontation before a judge whose authority they acknowledge. The other alternative is the settlement of their conflict through the barrel of a gun.[29]

Republic Act No. 7160 (RA 7160), or the Local Government Code of 1991, provides that barangay conciliation proceedings is a pre-condition to filing a complaint in court between persons actually residing in the same barangay to explore possible amicable settlement. The relevant provisions of RA 7160 in the conduct of barangay conciliation are as follows:

Section 409. Venue. — (a) Disputes between persons actually residing in the same barangay **shall** be brought for amicable settlement before the lupon of said barangay.
(b) Those involving actual residents of different barangays within the same city or municipality shall be brought in the barangay where the respondent or any of the respondents actually resides, at the election of the complainant.
(c) All disputes involving real property or any interest therein shall be brought in the barangay where the real property or the larger portion thereof is situated.
(d) Those arising at the workplace where the contending parties are employed or at the institution where such parties are enrolled for study, shall be brought in the barangay where such workplace or institution is located.

Objections to venue shall be raised in the mediation proceedings before the punong barangay; otherwise, the same shall be deemed waived. Any legal question which may confront the punong barangay in resolving objections to venue herein referred to may be submitted to the Secretary of Justice or his duly designated representative, whose ruling thereon shall be binding. [Emphasis Ours]

Section 412. *Conciliation. — (a) Pre-condition to Filing of Complaint in Court.* — **No complaint, petition, action, or proceeding involving any matter within the authority of the *lupon* shall be**

---

[29] *Id.* at 898.

filed or instituted directly in court or any other government office for adjudication, unless there has been a confrontation between the parties before the *lupon* chairman or the *pangkat*, and that no conciliation or settlement has been reached as certified by the *lupon* secretary or *pangkat* secretary as attested to by the *lupon* or *pangkat* chairman or unless the settlement has been repudiated by the parties thereto. [Emphasis Ours]

Administrative Circular No. 14-93[30] enumerated the cases which are not covered by the mandatory barangay conciliation, to *wit*:

1. Where one party is the government, or any subdivision or instrumentality thereof;
2. Where one party is a public officer or employee, and the dispute relates to the performance of his official functions;
3. Where the dispute involves real properties located in different cities and municipalities, unless the parties thereto agree to submit their difference to amicable settlement by an appropriate Lupon;
4. Any complaint by or against corporations, partnership or juridical entities, since only individuals shall be parties to Barangay conciliation proceedings either as complainants or respondents (Sec. 1, Rule VI, Katarungang Pambarangay Rules);
5. Disputes involving parties who actually reside in barangays of different cities or municipalities, except where such barangay units adjoin each other and the parties thereto agree to submit their differences to amicable settlement by an appropriate Lupon;
6. Offenses for which the law prescribes a maximum penalty of imprisonment exceeding one (1) year or a fine over five thousand pesos (₱5,000.00);
7. Offenses where there is no private offended party;
8. Disputes where urgent legal action is necessary to prevent injustice from being committed or further continued, specifically the following:
   a. Criminal cases where accused is under police custody or detention (see Sec. 412 (b) (1), Revised Katarungang Pambarangay Law);
   b. Petitions for *habeas corpus* by a person illegally deprived of

---

[30] Guidelines on the Katarungang Pambarangay Conciliation Procedure to Prevent Circumvention of the Revised Katarungang Pambarangay Law [Sections 399-342, Chapter VII, Title I, Book III, R.A. No. 7160, otherwise known as the Local Government Code of 1991] issued by the Supreme Court on 15 July 1993.

his rightful custody over another or a person illegally deprived or on acting in his behalf;

c. Actions coupled with provisional remedies such as preliminary injunction, attachment, delivery of personal property and support during the pendency of the action; and

d. Actions which may be barred by the Statute of Limitations.

9. Any class of disputes which the President may determine in the interest of justice or upon the recommendation of the Secretary of Justice;

10. Where the dispute arises from the Comprehensive Agrarian Reform Law (CARL) (Sec. 46 & 47, R.A. 6657);

11. Labor disputes or controversies arising from employer-employee relations (Montoya vs. Escayo, *et al*., 171 SCRA 442; Art. 226, Labor Code, as amended, which grants original and exclusive jurisdiction over conciliation and mediation of disputes, grievances or problems to certain offices of the Department of Labor and Employment);

12. Actions to annul judgment upon a compromise which may be filed directly in court (See Sanchez vs. Tupaz, 158 SCRA 459).

Subject to the above exemptions, a party's failure to comply with the requirement of prior barangay conciliation before filing a case in court would render his complaint dismissible on the ground of failure to comply with a condition precedent,[31] pursuant to Section 1 (j), Rule 16 of the Rules of Court *viz.*:

Section 1, Rule 16 of the Rules of Court provides for the grounds that may be raised in a motion to dismiss a complaint, to wit:

Section 1. *Grounds*. — Within the time for but before filing the answer to the complaint or pleading asserting a claim, a motion to dismiss may be made on any of the following grounds:

x x x x x x x x x

(j) **That a condition precedent for filing the claim has not been complied with**. (Emphasis and underscoring supplied)

Moreover, as a general rule, grounds for dismissal must be invoked by the party-litigant at the earliest opportunity, as in a <u>motion to dismiss or in the answer</u>; otherwise, such grounds are deemed waived.[32]

---

[31] *Lansangan v. Caisip*, G.R. No. 212987, August 6, 2018.

[32] *Id.*

Notably however, such non-compliance of the condition precedent is not jurisdictional. In *Uy v. Judge Contreras*,[33] We held:

In fine, we have held in the past that prior recourse to the conciliation procedure required under P.D. 1508 is not a jurisdictional requirement, non-compliance with which would deprive a court of its jurisdiction either over the subject matter or over the person of the defendant. Where, however, the fact of non-compliance with and non-observance of such procedure has been seasonably raised as an issue before the court first taking cognizance of the complaint, dismissal of the action is proper.

x x x x x x x x x

The precise technical effect of failure to comply with the requirement of P.D. 1508 where applicable is much the same effect produced by non-exhaustion of administrative remedies; the complaint becomes afflicted with the vice of pre-maturity; the controversy there alleged is not ripe for judicial determination. The complaint becomes vulnerable to a motion to dismiss.[34] [Emphasis Ours]

Here, it is undisputed that Ngo failed to submit the matter to prior barangay conciliation before the filing of his complaint in court. Moreover, the case is not among those exempted from the requirement of prior conciliation. Gabelo, *et al.*, timely and consistently raised such omission and vigorously invoked the dismissal of the complaint. All these circumstances justified the dismissal of Ngo's complaint.

We thus quote with approval the findings of the CA, to *wit*:

Based on the aforecited provisions, all disputes between parties actually residing in the same city or municipality are subject to *barangay* conciliation. A prior recourse thereto is a pre-condition before filing a complaint in court or any government office. Non-compliance with the said condition precedent could affect the sufficiency of the plaintiff's cause of action and make his complaint

---

[33] 307 Phil. 176 (1994).

[34] *Id.* at 189-190.

vulnerable to dismissal on ground of lack of cause of action or prematurity; but the same would not prevent a court of competent jurisdiction from exercising its power of adjudication over the case before it, where the defendants failed to object to such exercise of jurisdiction.

In the instant case, while no motion to dismiss was filed, the petitioners had been constantly pleading for dismissal of the case in their answer and their subsequent pleadings submitted to the lower court. This is allowed under Section 6, Rule 16 of the Rules of Court which provides that if no motion to dismiss has been filed, any grounds for dismissal provided for in the Rules may be pleaded as an affirmative defense in the answer and, in the discretion of the court, a preliminary hearing may be had thereon as if a motion to dismiss had been filed.

It is undisputed that the case was never referred to the Lupong Tagapayapa for conciliation. The petitioners successfully prevented the trial court from exercising jurisdiction over the case by timely invoking the ground in their answer as an affirmative defense. Thus, the complaint is dismissible for failure to comply with the mandatory requirement of *barangay* conciliation as a condition precedent before filing an action.[35] [Emphasis and underscoring Ours]

Finally, petitioner, at this juncture, argues that the issue was rendered moot due to the referral of the case to barangay conciliation proceedings and issuance of Certificate to File Action.[36] However, a careful review of the said undated Certificate to File Action[37] reveals that the same was irregularly issued as the same merely certified that:

1) There has been a personal confrontation between the parties before the punong Barangay/Pangkat Tagapagkasundo;

2) A settlement was reached;

3) The settlement has been repudiated in a statement sworn to before the Punong barangay by __________ on ground on ________.

[35] *Rollo*, p. 24.

[36] *Id.* at 12.

[37] *Id.* at 120.

Therefore the corresponding complaint *(sic)* for the dispute may now be filed in Court/government office.

Verily, Ngo's admission that none of the respondents appeared is materially inconsistent with the statement in the Certification that there has been personal confrontation between the parties. Moreover, based on the copy of the summons attached, only respondents Spouses Gabelo and Erlinda Abella were able to receive the same. The foregoing clearly does not satisfy the requirement of the law. Moreover, the Certification mentioned that a settlement has been reached by the parties. If this is so, then there would have been no need for referral of the matter to the court/government office, contrary to the statement in the Certification.

Finally, petitioner cites the case of *Bonifacio Law Office v. Bellosillo*[38] where this Court allegedly pronounced that suspending a case and referring the same to the barangay for conciliation was not an abuse of discretion on the part of the trial court. Hence, the RTC was correct in doing so in the case at bar.[39] This argument fails to persuade. In the instant case, there is a complete failure on the part of Ngo to refer the case to the barangay for prior conciliation. The cited case is not on all fours with the case at bar because there was a prior barangay conciliation therein but the trial court merely referred it back for completion. The relevant findings of the Court in said case held that:

> Evidently, the barangay failed to exert enough effort required by law to conciliate between the parties and to settle the case before it. Hence, respondent judge was not incorrect in remanding the case to it for completion of the mandated proceedings. We cannot fault him for seeking to promote the objectives of barangay conciliation and for taking to heart the provisions of Supreme Court Circular No. 14-93. His referral of the case back to the barangay cannot be equated with gross ignorance of the law. Neither does it constitute grave abuse of discretion or obvious partiality.[40]

---

[38] 442 Phil. 257 (2002).

[39] *Rollo*, p. 11.

[40] *Bonifacio Law Office v. Judge Bellosillo, supra* at 266.

All told, this Court finds no reason to overturn the ruling of the CA as to its finding that the RTC gravely abused its discretion in remanding the case for barangay conciliation and for revoking the dismissal of the complaint. All the substantive and procedural issues raised in this Petition were squarely addressed in the assailed judgment of the appellate court in accordance with law and existing jurisprudence and with due regard to extant facts and evidence.

WHEREFORE, the Petition for Review on *Certiorari* is hereby **DENIED**, there being no reversible error on the part of the Court of Appeals. The January 8, 2013 Decision and June 19, 2013 Resolution of the Court of Appeals in CA-G.R. S.P. No. 117120 are **AFFIRMED**. Costs on petitioner.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

SECOND DIVISION

[G.R. No. 213421. August 24, 2020]

UNIROCK CORPORATION, as represented by EDISON U. OJERIO, *petitioner*, *vs.* **ARMANDO C. CARPIO[*] and HARDROCK AGGREGATES, INC.,** *respondents*.

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; JUDGMENTS; COMPROMISE JUDGMENTS; NATURE THEREOF; A DECISION ON A COMPROMISE AGREEMENT IS FINAL

[*] Died on August 19, 2004 per Certificate of Death (see *rollo*, p. 275).

AND EXECUTORY AND IS CONCLUSIVE BETWEEN THE PARTIES; WHERE A PARTY TO THE COMPROMISE JUDGMENT FAILS OR REFUSES TO ABIDE BY THE SAME, THE AGGRIEVED PARTY MAY SEEK EITHER THE ENFORCEMENT OF THE COMPROMISE OR REGARD IT AS RESCINDED WITHOUT NEED OF A JUDICIAL DECLARATION THEREOF, AND INSISTS ON HIS ORIGINAL DEMAND.— In *Diamond Builders Conglomeration v. Country Bankers Insurance Corporation*, the Court had the opportunity to explain the nature of compromise judgments, to wit: A compromise judgment is a decision rendered by a court sanctioning the agreement between the parties concerning the determination of the controversy at hand. **Essentially, it is a contract, stamped with judicial imprimatur, between two or more persons, who, for preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which each of them prefers in the hope of gaining, balanced by the danger of losing. Upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court**. Ordinarily, **a judgment based on compromise is not appealable. It should not be disturbed except upon a showing of vitiated consent or forgery**. The reason for the rule is that when both parties enter into an agreement to end a pending litigation and request that a decision be rendered approving said agreement, it is only natural to presume that such action constitutes an implicit, as undeniable as an express, waiver of the right to appeal against said decision. **Thus, a decision on a compromise agreement is final and executory, and is conclusive between the parties**. x x x **Other judgments in actions declared to be immediately executory** and not stayed by the filing of an appeal are for: (1) **compromise** x x x. Under Article 2041 of the Civil Code, should a party to the compromise judgment fail or refuse to abide by the same, the aggrieved party may seek either: (*a*) **the enforcement of the compromise**; or (*b*) regard it as rescinded without need of a judicial declaration thereof, and insist on his original demand.

2. ID.; ID.; ID.; *RES JUDICATA*; A FINAL JUDGMENT ON THE MERITS RENDERED BY A COURT OF

COMPETENT JURISDICTION IS CONCLUSIVE AS TO THE RIGHTS OF THE PARTIES AND THEIR PRIVIES; RESPONDENT IS BARRED, EITHER BY OPERATION OF *RES JUDICATA* OR THROUGH ITS EXPRESS RECOGNITION IN THE MEMORANDUM OF AGREEMENT (MOA), FROM ASSERTING ANY MISREPRESENTATION ON THE PART OF PETITIONER WITH RESPECT TO THE OWNERSHIP ISSUE WHICH HAD ALREADY BEEN CONCLUSIVELY SETTLED THROUGH A FINAL JUDGMENT.— [U]nirock sought the enforcement of the compromise, through a motion for execution for the purpose, in view of Hardrock's non-payment of royalties. The RTC-Br. 73, as affirmed by the CA, however, denied the said motion, finding that the compromise judgment's execution would be premature in view of the supervening filing of **Civil Case No. 06-7840** by Gonzales, which cast doubt on Unirock's ownership of the subject properties and in turn, rendered the execution sought for unjust and inequitable. The position is erroneous. It must be borne in mind that the disposition of the issue of ownership in Civil Case No. 06-7840 **should not affect the rights and obligations of the parties to this case since the issue of ownership between Hardrock and Unirock had already been settled through final judgment in Civil Case No. 94-3393**. Clearly, the alleged legal interest of Gonzales over the subject properties is separate and distinct from that of Hardrock; consequently, Hardrock has no personality to assert the interest of Gonzales to obviate the enforcement of said final judgment to Unirock's prejudice. Indeed, *insofar as Hardrock is concerned*, Unirock's ownership of the subject properties had already been conclusively settled. This is commanded by none other than the fundamental remedial law principle of *res judicata*: *Res judicata* literally means a matter adjudged, judicially acted upon or decided, or settled by judgment. **It provides that a final judgment on the merits rendered by a court of competent jurisdiction is conclusive as to the rights of the parties and their privies** x x x. In fact, in recognition of the final judgment against it, Hardrock acknowledged Unirock's absolute ownership of the subject properties in the MOA that was judicially approved and hence, reached the status of a compromise judgment. x x x. x x x [H]ardrock is therefore barred, either by operation of *res judicata* or through its express

recognition in the MOA, from asserting any misrepresentation on the part of Unirock with respect to the ownership issue.

3. **ID.; ID.; ID.; COMPROMISE JUDGMENT; UPON COURT APPROVAL OF A COMPROMISE AGREEMENT, IT TRANSCENDS ITS IDENTITY AS A MERE CONTRACT BINDING ONLY UPON THE PARTIES THERETO, AS IT BECOMES A JUDGMENT THAT IS SUBJECT TO EXECUTION, AND SHOULD NOT BE DISTURBED EXCEPT UPON A SHOWING OF VITIATED CONSENT OR FORGERY; EXECUTION OF THE COMPROMISE JUDGMENT IN CASE AT BAR, NOT PREMATURE.—** In the same vein, by confounding the legal interest of Gonzales with that of Hardrock and hence, disregarding the final and executory judgment against the latter, the courts *a quo* contravened the principle of *res judicata* and in so doing, improperly denied the motion for execution on the ground that execution was premature or that it would be unjust and inequitable. To repeat, "a decision on a compromise agreement is final and executory, and is conclusive between the parties." "Upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court." "It should not be disturbed except upon a showing of vitiated consent or forgery." Thus, there being no showing of vitiated consent or forgery in this case, the execution of the compromise judgment is not premature.

4. **ID.; ID.; ID.; ID.; THE INABILITY OF PETITIONER TO ENFORCE ITS OWNERSHIP RIGHTS AS AGAINST THE RESPONDENT, WHICH HAD UNDULY EXPLOITED PETITIONER'S PROPERTIES, BUT FAILED TO PAY THE CORRESPONDING ROYALTIES AS AGREED UPON, WOULD RESULT IN UNJUSTNESS AND INEQUITY; EXECUTION OF THE COMPROMISE JUDGMENT, NOT UNJUST OR INEQUITABLE.—** Neither is the execution unjust or inequitable since Hardrock has not only recognized but is, in fact, already conclusively bound to respect the ownership of Unirock over the subject properties based on the final and executory decision in Civil Case No. 94-3393. Quite the opposite, the inability of Unirock to enforce its ownership rights as against Hardrock which had unduly exploited Unirock's properties but failed to pay the corresponding

royalties as agreed upon would result in a scenario of unjustness and inequity which this Court cannot countenance. This unjustness or inequity is not assuaged by the fact that RTC-Br. 74 issued an escrow order in Civil Case No. 06-7840 since in the first place, said court cannot issue a directive that effectively supersedes a final and executory compromise judgment of a co-equal court and at any rate, Gonzales's complaint in said civil case had already been dismissed and thus, rendered said escrow order *functus officio*.

5. **ID.; ID.; ID.; ID.; REMAND OF THE CASE TO THE REGIONAL TRIAL COURT TO DETERMINE THE EXTENT OF RESPONDENT'S LIABILITY TO PETITIONER, WARRANTED.—** [T]he Court observes that Unirock had only submitted a photocopy of a document denominated as "Quarry Materials Withdrawals Summary of Hardrock Corporation" as basis for its claim of ₱34,718,026.25 in view of the compromise judgment's execution. In this limited extent, the Court agrees with the courts *a quo* that the execution of said judgment for this amount cannot yet proceed. However, instead of denying the motion outright, it would be more prudent to order the remand of the case to RTC-Br. 73 in order to determine the actual liability of Hardrock under the terms and conditions of the MOA. In this regard, the Court discerns that Hardrock has not denied — and hence has admitted — that it had breached the MOA. It could have also presented evidence to show that it had partially paid royalties to Unirock but failed to do so and instead, parried with its erroneous claim of misrepresentation which was already herein traversed. That being said, the fact of breach should not anymore be at issue and that the only matter to be resolved is the extent of Hardrock's liability to Unirock, with both parties being given the opportunity to present their evidence therefor anew. Accordingly, the remand of this case for this purpose is in order.

APPEARANCES OF COUNSEL

Carmelo and Palaypayon Law Offices for petitioner.

Reynaldo P. Melendres for respondent Hardrock Aggregates, Inc.

D E C I S I O N

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[1] are the Decision[2] dated February 25, 2014 and the Resolution[3] dated June 30, 2014 of the Court of Appeals (CA) in CA-G.R. CV No. 94051 which affirmed the Order[4] dated July 8, 2009 of the Regional Trial Court of Antipolo City, Rizal (RTC), Branch 73 (RTC-Br. 73) denying petitioner Unirock Corporation's (Unirock) motion for issuance of a writ of execution in **Civil Case No. 94-3393** for being premature.

The Facts

This case stemmed from a complaint for quieting of title originally filed before the RTC-Br. 71 (later on transferred to RTC-Br. 73) by respondents Armando C. Carpio (Carpio) and Hardrock Aggregates, Inc. (Hardrock) against Unirock involving properties titled under the latter's name (subject properties), docketed as **Civil Case No. 94-3393**. This case was eventually elevated before the Court, docketed as **G.R. No. 141638**, and was ultimately resolved in Unirock's favor, which was then declared as the owner of the subject properties. Eventually, Entry of Judgment was entered on January 7, 2002.[5]

During execution proceedings before the RTC-Br. 73, the parties executed a Memorandum of Agreement (MOA),[6] whereby Unirock, as the adjudged owner of the subject properties, granted Hardrock the exclusive right to quarry the mineral resources

---

[1] *Rollo*, pp. 14-22.

[2] *Id.* at 27-36. Penned by Associate Justice Melchor Q.C. Sadang, with Associate Justices Japar B. Dimaampao and Elihu A. Ybañez, concurring.

[3] *Id.* at 43-44.

[4] *Id.* at 154-155. Penned by Presiding Judge Ronaldo B. Martin.

[5] *Id.* at 27-29.

[6] *Id.* at 52-68.

found therein; in exchange, Hardrock obligated itself to pay Unirock the corresponding royalties. Pertinently, the MOA states that "**[Hardrock] believes and acknowledges the absolute ownership of [Unirock] of the [property] subject to this Agreement as contained in a decision handed down by the Supreme Court**, and [Unirock] recognizes and accepts the true capacity, capabilities and the sincere intentions of [Hardrock] to undertake the quarrying and crushing plant operations in the PERMITTED AREA":[7]

COMPROMISE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into at Makati City on March 20, 2003, by and between:

HARDROCK AGGREGATES, INCORPORATED, x x x hereinafter referred to as the PERMITTEE-OPERATOR,

and

UNIROCK CORPORATION, x x x, hereinafter referred to as the OWNERS.

WITNESSETH THAT:

WHEREAS, OWNER owns a parcel of land containing an area of 206,881 square meters more or less, situated in Barangay Cupang, Antipolo City, and more particularly described as:

x x x x x x x x x

And hereinafter referred to as the PROPERTY;

WHEREAS, PERMITEE-OPERATOR is an applicant for a Mineral Production Sharing Agreement (MPSA) with the Mines and GeoSciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) for the PROPERTY of the OWNER with the consent and absolute approval of the latter.

x x x x x x x x x

WHEREAS, PERMITTEE-OPERATOR believes and acknowledges the absolute ownership of the OWNER of the

---

[7] *Id.* at 54.

PROPERTY subject to this Agreement as contained in a decision handed down by the Supreme Court, and the OWNER recognizes and accepts the true capacity, capabilities and the sincere intentions of the PERMITTEE-OPERATOR to undertake the quarrying and crushing plant operations in the PERMITTED AREA;

x x x x x x x x x

ARTICLE IV
ROYALTIES

4.1 Royalties for non-plant processed quarry materials that are extracted from the PERMITTED AREA by the PERMITTEE-OPERATOR loaded into customer's trucks and sold will be paid to the OWNER x x x

x x x x x x x x x

4.2 COMPUTATION OF ROYALTY FOR PLANT-PROCESSED AGGREGATES

PERMITTEE-OPERATOR agrees that the total royalties due and payable to the OWNER shall be based on the volume of sales x x x

x x x x x x x x x[8] (Emphases supplied)

Also, the MOA shows that Hardrock applied for a Mineral Production Sharing Agreement (MPSA) with the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR), and for such purpose, sought the "consent and absolute approval"[9] of Unirock as the owner.

The MOA was submitted to the RTC-Br. 73 for its approval and consequent issuance of a judgment based on a compromise agreement. **On February 20, 2004, the RTC-Br. 73 rendered a Decision[10] based on a Compromise Agreement approving the terms and conditions of the MOA as agreed upon by Hardrock and Unirock**.[11]

---

[8] *Id.* at 52-63.

[9] *Id.* at 54.

[10] *Id.* at 52-69. Penned by Executive Judge Mauricio M. Rivera.

[11] See *id.* at 29-30 and 179.

However, on March 14, 2006, a certain Teresa Gonzales (Gonzales) filed a complaint for nullification of title, damages with application for the issuance of temporary restraining order and writs of preliminary injunction, docketed as **Civil Case No. 06-7840**, before the RTC-Br. 74, against Unirock and Hardrock, claiming ownership over the subject properties. She prayed for the nullification of Unirock's title, and that Hardrock be ordered to pay royalties to her instead. Subsequently, the RTC-Br. 74 ordered Hardrock to deposit the royalties in an escrow account so as to preserve the rights of Unirock or Teresita over said royalties pending the resolution of **Civil Case No. 06-7840**. Thereafter, on January 11, 2008, the RTC-Br. 74 dismissed the complaint. Aggrieved, Gonzales appealed to the CA,[12] the resolution of which appears to be still pending.

Meanwhile, claiming that Hardrock failed to pay the royalties as agreed upon, Unirock filed, on March 15, 2006, a complaint for rescission of the MOA, payment of royalty fees, and damages, docketed as **Civil Case No. 06-7891**, before the RTC-Br. 71, against Hardrock. The case was, however, dismissed in an Order dated August 21, 2007 for improper venue. Dissatisfied, Unirock filed its appeal before the CA but was later withdrawn.[13]

Instead, on October 30, 2008, Unirock filed a motion for issuance of a writ of execution in **Civil Case No. 94-3393** before the RTC-Br. 73, claiming that Hardrock failed to pay Unirock the royalty fees in violation of their MOA.[14]

In opposition, Hardrock countered that the supervening filing of **Civil Case No. 06-7840** by Gonzales allegedly showed that Unirock misrepresented its ownership over the properties subject of the MOA, and hence, rendered the execution of the compromise judgment approving the same unjust and inequitable.[15] Hardrock also pointed out that the MOA, which

---

[12] See *id.* at 30.

[13] *Id.* at 30 and 34-35.

[14] *Id.* at 31.

[15] *Id.*

was likewise registered before the DENR, was already cancelled by the DENR Panel of Arbitrators (DENR-POA) through a Resolution dated May 28, 2007.[16]

The RTC-Br. 73 Ruling

In an Order[17] dated July 8, 2009, the RTC-Br. 73 denied the motion for execution filed by Unirock for being premature.[18] It found that since Unirock presented a mere photocopy of a document denominated as "Quarry Materials Withdrawals Summary of Hardrock Corporation," it did not adequately substantiate its claim that Hardrock failed to pay royalties in the amount of ₱34,718,026.25. Furthermore, the RTC-Br. 73 pointed out that Unirock already filed **Civil Case No. 06-7891** for the rescission of the MOA on the ground of Hardrock's non-compliance of the MOA, but the same was dismissed on procedural grounds, and that Unirock withdrew its appeal. According to the RTC-Br. 73, since the issue therein was never resolved on the merits, it is unclear if Hardrock really violated the provisions of the MOA. Finally, it held that **Civil Case No. 06-7840** filed by Gonzales is "prejudicial" in nature because it will ultimately determine who is rightfully entitled to the payment of royalties.[19]

Dissatisfied, Unirock appealed[20] to the CA.

The CA Ruling

In a Decision[21] dated February 25, 2014, the CA affirmed the RTC ruling. It held that: (*a*) since Unirock merely attached a photocopy of the document supposedly showing Hardrock's non-payment of royalties, it is inadmissible, and as such, insufficient to prove such non-payment; (*b*) although

---

[16] *Id.* at 134-135 and 192-195.

[17] *Id.* at 154-155. Penned by Presiding Judge Ronaldo B. Martin.

[18] *Id.* at 155.

[19] *Id.*

[20] See *id.* at 31-32.

[21] *Id.* at 27-36.

the **Decision Based on a Compromise Agreement in Civil Case No. 94-3393** had already become final and executory, this case falls under the exception on the immutability of judgment since the filing of the complaint by Gonzales of **Civil Case No. 06-7840** before the RTC-Br. 74 raised doubts on Unirock's claim of ownership over the subject properties, and thus, will render the execution of the aforementioned Decision in **Civil Case No. 94-3393** unjust and inequitable; and (*c*) in any case, Unirock would not be unjustly prejudiced by the appealed order, considering that the RTC-Br. 74 in **Civil Case No. 06-7840** had already ordered Hardrock to deposit its royalty payments in escrow pending resolution thereof.[22]

Undaunted, Unirock moved for reconsideration[23] but the same was denied in a Resolution[24] dated June 30, 2014; hence, this petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the CA correctly affirmed the denial of Unirock's motion for execution.

The Court's Ruling

At the outset, it is apt to mention that it is undisputed that Unirock and Hardrock entered into the MOA and had the same judicially approved by the RTC-Br. 73 in **Civil Case No. 94-3393** as a compromise judgment, thus the Decision dated February 20, 2004. Since the MOA's status as a compromise judgment was never questioned by any of the parties, the Court situates it as such, and shall proceed to resolve the case pursuant to the rules on compromise judgments.

In *Diamond Builders Conglomeration v. Country Bankers Insurance Corporation*,[25] the Court had the opportunity to explain the nature of compromise judgments, to wit:

---

[22] *Id.* at 33-35.

[23] See motion for reconsideration dated March 26, 2014; *id.* at 37-40.

[24] *Id.* at 43-44.

[25] 564 Phil. 756 (2007).

A compromise judgment is a decision rendered by a court sanctioning the agreement between the parties concerning the determination of the controversy at hand. **Essentially, it is a contract, stamped with judicial imprimatur, between two or more persons, who, for preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which each of them prefers in the hope of gaining, balanced by the danger of losing. Upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court**.

Ordinarily, **a judgment based on compromise is not appealable. It should not be disturbed except upon a showing of vitiated consent or forgery**. The reason for the rule is that when both parties enter into an agreement to end a pending litigation and request that a decision be rendered approving said agreement, it is only natural to presume that such action constitutes an implicit, as undeniable as an express, waiver of the right to appeal against said decision. **Thus, a decision on a compromise agreement is final and executory, and is conclusive between the parties**.

x x x x x x x x x

Other judgments in actions declared to be immediately executory and not stayed by the filing of an appeal are for: (1) **compromise** x x x.[26] (Emphases and underscoring supplied)

Under Article 2041[27] of the Civil Code, should a party to the compromise judgment fail or refuse to abide by the same, the aggrieved party may seek either: (*a*) **the enforcement of the compromise**; or (*b*) regard it as rescinded without need of a judicial declaration thereof, and insist on his original demand.[28]

---

[26] *Id.* at 766-768; citations omitted.

[27] Article 2041 of the CIVIL CODE reads:

Article 2041. If one of the parties fails or refuses to abide by the compromise, the other party may either enforce the compromise or regard it as rescinded and insist upon his original demand.

[28] See *Sonley v. Anchor Savings Bank/Equicom Savings Bank*, 792 Phil. 738 (2016); *Menchavez v. Bermudez*, 697 Phil. 447 (2012); *Diamond Builders Conglomeration v. Country Bankers Insurance Corporation, supra* note 25.

In this case, Unirock sought the enforcement of the compromise, through a motion for execution for the purpose, in view of Hardrock's non-payment of royalties.

The RTC-Br. 73, as affirmed by the CA, however, denied the said motion, finding that the compromise judgment's execution would be premature in view of the supervening filing of **Civil Case No. 06-7840** by Gonzales, which cast doubt on Unirock's ownership of the subject properties and in turn, rendered the execution sought for unjust and inequitable.

The position is erroneous.

It must be borne in mind that the disposition of the issue of ownership in Civil Case No. 06-7840 **should not affect the rights and obligations of the parties to this case since the issue of ownership between Hardrock and Unirock had already been settled through <u>final</u> judgment in Civil Case No. 94-3393**. Clearly, the alleged legal interest of Gonzales over the subject properties is separate and distinct from that of Hardrock; consequently, Hardrock has no personality to assert the interest of Gonzales to obviate the enforcement of said final judgment to Unirock's prejudice. Indeed, *insofar as Hardrock is concerned*, Unirock's ownership of the subject properties had already been conclusively settled. This is commanded by none other than the fundamental remedial law principle of *res judicata*:

> *Res judicata* literally means a matter adjudged, judicially acted upon or decided, or settled by judgment. **It provides that a final judgment on the merits rendered by a court of competent jurisdiction is conclusive as to the rights of the parties and their privies** x x x.[29] (Emphasis supplied)

In fact, in recognition of the final judgment against it, Hardrock acknowledged Unirock's absolute ownership of the subject properties in the MOA that was judicially approved and hence, reached the status of a compromise judgment:

---

[29] *Bardillion v. Barangay Masili of Calamba, Laguna*, 450 Phil. 521, 528 (2003).

WHEREAS, PERMITTEE-OPERATOR believes and acknowledges the absolute ownership of the OWNER of the PROPERTY subject to this Agreement as contained in a decision handed down by the Supreme Court, and the OWNER recognizes and accepts the true capacity, capabilities and the sincere intentions of the PERMITTEE-OPERATOR to undertake the quarrying and crushing plant operations in the PERMITTED AREA[.][30]

To note, the fact that the same MOA was registered before and eventually cancelled by the DENR-POA is of no consequence to this case since such cancellation should only be given legal effect insofar as the MPSA before said administrative body is concerned. To be sure, the DENR-POA's jurisdiction is limited to: (*a*) disputes involving rights to mining areas; (*b*) disputes involving mineral agreements or permits; (*c*) disputes involving surface owners, occupants, and claimholders/concessionaires; and (*d*) disputes pending before the MGB and the DENR before the effectivity of Republic Act No. 7942,[31] otherwise known as the "Philippine Mining Act of 1995."[32] Thus, the DENR-POA's order of cancellation should only extend to these matters, and should, in no way, operate to erode or set aside a final and executory decision of a judicial court.

For all the foregoing reasons, Hardrock is therefore barred, either by operation of *res judicata* or through its express recognition in the MOA, from asserting any misrepresentation on the part of Unirock with respect to the ownership issue.

In the same vein, by confounding the legal interest of Gonzales with that of Hardrock and hence, disregarding the final and executory judgment against the latter, the courts *a quo* contravened the principle of *res judicata* and in so doing, improperly denied the motion for execution on the ground that

---

[30] *Rollo*, p. 54.

[31] Entitled "AN ACT INSTITUTING A NEW SYSTEM OF MINERAL RESOURCES EXPLORATION, DEVELOPMENT, UTILIZATION, AND CONSERVATION," approved on March 3, 1995.

[32] See Section 77 of RA 7942.

execution was premature or that it would be unjust and inequitable.

To repeat, "a decision on a compromise agreement is final and executory, and is conclusive between the parties."[33] "Upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court."[34] "It should not be disturbed except upon a showing of vitiated consent or forgery."[35] Thus, there being no showing of vitiated consent or forgery in this case, the execution of the compromise judgment is not premature.

Neither is the execution unjust or inequitable since Hardrock has not only recognized but is, in fact, already conclusively bound to respect the ownership of Unirock over the subject properties based on the final and executory decision in Civil Case No. 94-3393. Quite the opposite, the inability of Unirock to enforce its ownership rights as against Hardrock which had unduly exploited Unirock's properties but failed to pay the corresponding royalties as agreed upon would result in a scenario of unjustness and inequity which this Court cannot countenance. This unjustness or inequity is not assuaged by the fact that RTC-Br. 74 issued an escrow order in Civil Case No. 06-7840 since in the first place, said court cannot issue a directive that effectively supersedes a final and executory compromise judgment of a co-equal court and at any rate, Gonzales's complaint in said civil case had already been dismissed and thus, rendered said escrow order *functus officio*.

Be that as it may, the Court observes that Unirock had only submitted a photocopy of a document denominated as "Quarry Materials Withdrawals Summary of Hardrock Corporation" as

---

[33] *Diamond Builders Conglomeration v. Country Bankers Insurance Corporation, supra* note 25.

[34] *Id.*

[35] *Id.*

basis for its claim of ₱34,718,026.25 in view of the compromise judgment's execution. In this limited extent, the Court agrees with the courts *a quo* that the execution of said judgment for this amount cannot yet proceed. However, instead of denying the motion outright, it would be more prudent to order the remand of the case to RTC-Br. 73 in order to determine the actual liability of Hardrock under the terms and conditions of the MOA. In this regard, the Court discerns that Hardrock has not denied — and hence has admitted — that it had breached the MOA. It could have also presented evidence to show that it had partially paid royalties to Unirock but failed to do so and instead, parried with its erroneous claim of misrepresentation which was already herein traversed. That being said, the fact of breach should not anymore be at issue and that the only matter to be resolved is the extent of Hardrock's liability to Unirock, with both parties being given the opportunity to present their evidence therefor anew. Accordingly, the remand of this case for this purpose is in order.

WHEREFORE, the petition is **PARTLY GRANTED**. The Decision dated February 25, 2014 and the Resolution dated June 30, 2014 of the Court of Appeals in CA-G.R. CV No. 94051 are **SET ASIDE**. The case is hereby **REMANDED** to the Regional Trial Court of Antipolo City, Rizal, Branch 73 for further proceedings as discussed in this Decision.

SO ORDERED.

Hernando, Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

SECOND DIVISION

[G.R. No. 219431. August 24, 2020]

SPOUSES ROBERTO and BEATRIZ GARCIA, *petitioners*, *vs.* **SPOUSES ARNEL and CRICELA SORIANO,** *respondents*.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; MOTIONS; OMNIBUS MOTION RULE; SPIRIT OR RATIONALE THEREOF IS TO REQUIRE THE MOVANT TO RAISE ALL AVAILABLE GROUNDS FOR RELIEF IN A SINGLE OPPORTUNITY IN ORDER TO AVOID MULTIPLE AND PIECE-MEAL OBJECTIONS; CASE AT BAR.—** The spirit or rationale of the [Omnibus Motion Rule under Section 9, Rule 15 of the Revised Rules of Civil Procedure] rule is to require the movant to raise all available grounds for relief in a single opportunity in order to avoid multiple and piece-meal objections. In the present case, the second motion to quash raised additional arguments to support or amplify those contained in the first motion to quash, but which arguments were already available prior to and at the time of filing of the first motion to quash. Thus, such additional arguments are deemed waived and can no longer be raised in the second motion to quash by virtue of the Omnibus Motion Rule.

2. **ID.; ID.; ID.; ID.; PROPER REMEDY IN CASE OF DENIAL OF MOTION TO QUASH; AS A RULE, DENIAL OF A MOTION TO QUASH WRIT OF EXECUTION CANNOT BE APPEALED; EXCEPTIONS.—** [F]rom the denial of petitioners' first motion to quash, the proper remedy was not to file a second motion to quash, but to seek recourse to a higher court either by appeal (writ of error or *certiorari*) or by a special civil action of *certiorari*, prohibition, or *mandamus*, if warranted under exceptional circumstances established by jurisprudence and upon compliance with any prerequisite (*e.g.*, filing of a motion for reconsideration) required by the Rules. As the Court explained in *Limpin, Jr. v. Intermediate Appellate Court*, although, as a general rule, no appeal lies from an order denying

a motion to quash writ of execution, there are exceptions to this rule: x x x 1) the writ of execution varies the judgment; 2) there has been a change in the situation of the parties making execution inequitable or unjust; 3) execution is sought to be enforced against property exempt from execution; 4) it appears that the controversy has never been submitted to the judgment of the court; 5) the terms of the judgment are not clear enough and there remains room for interpretation thereof; or, 6) it appears that the writ of execution has been improvidently issued, or that it is defective in substance, or is issued against the wrong party, or that the judgment debt has been paid or otherwise satisfied, or the writ was issued without authority. In these exceptional circumstances, considerations of justice and equity dictate that there be some mode available to the party aggrieved of elevating the question to a higher court. That mode of elevation may be either by appeal (writ of error or *certiorari*) or by a special civil action of *certiorari*, prohibition, or *mandamus*.

3. **ID.; ID.; JUDGMENTS; A FINAL JUDGMENT BASED ON COMPROMISE AGREEMENT HAS THE SAME FORCE AND EFFECT OF A FINAL JUDGMENT ON THE MERITS BY A COURT OF COMPETENT JURISDICTION, AND IS, THUS, SUBJECT TO THE SAME PREVAILING PRINCIPLES ON COMPROMISE AGREEMENTS AFTER FINAL JUDGMENT.—** [T]he Court finds that the applicable principle is the rule on compromise agreements after final judgment, and not the doctrine of immutability of final judgments. A final judgment based on compromise agreement has the same force and effect of a final judgment on the merits by a court of competent jurisdiction, and is, thus, subject to the same prevailing principles on compromise agreements after final judgment.

4. **ID.; ID.; ID.; ID.; RIGHTS MAY BE WAIVED OR MODIFIED THROUGH A COMPROMISE AGREEMENT EVEN AFTER A FINAL JUDGMENT HAS ALREADY SETTLED THE RIGHTS OF THE CONTRACTING PARTIES; REQUISITES OF A VALID COMPROMISE.—** The rule of long standing is that rights may be waived or modified through a compromise agreement even after a final judgment has already settled the rights of the contracting parties. The compromise, to be binding, must be shown to have been voluntarily, freely and intelligently executed by the parties, who had full knowledge

of the judgment. In consonance with the law on contracts, the compromise must not be contrary to law, morals, good customs and public policy. In *Magbanua v. Uy*, the Court explained thus: The issue involving the validity of a compromise agreement notwithstanding a final judgment is not novel. *Jesalva v. Bautista* upheld a compromise agreement that covered cases pending trial, on appeal, and with final judgment. The Court noted that Article 2040 (of the Civil Code) impliedly allowed such agreements; there was no limitation as to when these should be entered into. x x x There is no justification to disallow a compromise agreement, solely because it was entered into after final judgment. **The validity of the agreement is determined by compliance with the requisites and principles of contracts**, not by when it was entered into. As provided by the law on contracts, a valid compromise must have the following elements: (1) the consent of the parties to the compromise, (2) an object certain that is the subject matter of the compromise, and (3) the cause of the obligation that is established.

5. **CIVIL LAW; OBLIGATIONS AND CONTRACTS; EXTINGUISHMENT OF OBLIGATION; TENDER OF PAYMENT AND CONSIGNATION; TENDER OF PAYMENT MUST BE FOLLOWED BY A VALID CONSIGNATION IN ORDER TO PRODUCE THE EFFECT OF PAYMENT AND EXTINGUISH AN OBLIGATION.—** Based on the alleged unjustified refusal of respondents to accept the said payment, the proper remedy of petitioners should have been the consignation of payment with the trial court in order to comply with their obligation under the new or modified compromise agreement. In *Allandale Sportsline, Inc., et al. v. The Good Dev't. Corp.*, we held: Tender of payment, without more, produces no effect; rather, tender of payment must be followed by a valid consignation in order to produce the effect of payment and extinguish an obligation. Tender of payment is but a preparatory act to consignation. It is the manifestation by the debtor of a desire to comply with or pay an obligation. If refused without just cause, the tender of payment will discharge the debtor of the obligation to pay but only after a valid consignation of the sum due shall have been made with the proper court.

6. **REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; EQUITY; ONLY APPLIED IN THE ABSENCE OF, AND**

NEVER AGAINST STATUTORY LAW OR JUDICIAL RULES OF PROCEDURE; CASE AT BAR.— [P]etitioners invoke the equity jurisdiction of the Court to allow them to make a belated payment under the subject compromise agreement. However, as we have often ruled, equity, which has been aptly described as "justice outside legality," is only applied in the absence of, and never against statutory law or judicial rules of procedure. This legal controversy stemmed from petitioners' failure to pay their obligation to respondents in order to redeem or repurchase the subject property. Petitioners neither deny the existence of this obligation (and their corresponding breach thereof) nor contest its validity. During the mediation proceedings on October 29, 2005, the parties entered into the subject compromise agreement that gave petitioners another opportunity to pay the sum owed, but again they failed to do so. Their plea for equity cannot, therefore, prevail over the clear legal consequences of the breach of their obligation to respondents who, after giving valuable consideration to petitioners, have long awaited and are entitled to the satisfaction of their just claims.

APPEARANCES OF COUNSEL

Gerry Val V. Baquilod for petitioners.
Lopez Lopez & Vanilla Law Offices for respondent Cricela Soriano.

D E C I S I O N

INTING, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45[1] of the Rules of Court assailing the Decision[2] dated December 2, 2013 and the Resolution[3] dated June 2, 2015 of the Court of Appeals (CA) in CA-G.R. CEB SP No. 05485.

---

[1] *Rollo*, pp. 10-22.

[2] *Id.* at 23-36; penned by Associate Justice Ma. Luisa C. Quijano-Padilla with Associate Justices Ramon Paul L. Hernando (now a Member of the Court) and Carmelita Salandanan-Manahan, concurring.

[3] *Id.* at 37-39; penned by Associate Justice Ma. Luisa C. Quijano-Padilla with Associate Justices Marilyn B. Lagura-Yap and Renato C. Francisco, concurring.

The Antecedents

On February 13, 2004, Spouses Arnel and Cricela Soriano (respondents) filed an action for Consolidation of Ownership of Real Property against Spouses Roberto and Beatriz Garcia (petitioners) before Branch 9, Regional Trial Court (RTC), Tacloban City, docketed as Civil Case No. 2004-02-28.[4]

On September 14, 2005, the RTC referred the case for mediation proceedings. Subsequently, the parties reached an amicable settlement embodied in a compromise agreement dated October 29, 2005 (subject compromise agreement), which provides in part:

> "That [petitioners] are given a grace period of six (6) months to one (1) year from date of signing this agreement to repurchase/redeem the two (2) parcels of land subject matter of this case and covered by TCT No. T-23868 and T.D. No. 3582. During this period, [petitioners] will look for an amount or buyers, and if able to dispose will give the amount of ₱300,000.00 to the [respondents] as repurchase/ redemption price and interest/produce unearned interest for almost 14 years;
>
> That should [petitioners] failed (sic) to produce such amount or sell the above-mentioned properties within (the) period granted, then [petitioners] shall immediately turnover and deliver possession and ownership of Lot No. 3 covered by TCT No. T-23868 with an area of 513 square meters located at Poblacion, Tanuan, Leyte, and that, a Deed of Absolute Sale shall be executed by [petitioners] in favor of [respondents];
>
> That the other parcel of land covered by TD No. 3582, Cad. Lot No. 3210 with an area of 1.2971 hectares located at Guingawan, Tabontabon, Leyte shall be retained by the [petitioners], and that, [respondents] as (a) gesture of compassion and reconciliation are willing to part the said property in favor of [petitioners];
>
> That the parties agreed to abide (by) the terms and conditions of this compromise agreement, and [respondents] are willing to withdraw the complaint against [petitioners];
>
> x x x x x x x x x"[5]

---

[4] *Id.* at 24.

[5] *Id.* at 24-25.

On June 4, 2007, the RTC issued an Order (subject judgment based on compromise agreement) approving the aforesaid compromise agreement. Subsequently, petitioners failed to pay respondents the sum of ₱300,000.00 within the one-year period under the subject judgment based on compromise agreement. Consequently, on September 9, 2008, respondents moved for the execution of the judgment and prayed that petitioners be ordered to deliver possession and ownership of Lot 3 (subject property), covered by Transfer Certificate of Title (TCT) No. T-23868, and execute the corresponding deed of absolute sale in favor of respondents.[6]

On January 30, 2009, during the hearing on the motion for execution, the RTC extended the period until April 30, 2009 within which petitioners may pay respondents the sum of ₱300,000.00, *viz.*:

> "As the Court extended its help to the parties to be able to come up with an amicable settlement, finally, the [petitioners] prayed the Court that he be given up to April 30, 2009 to comply with the Compromise Agreement, the Court, with the permission of the [respondents], approved it, provided it is the last the time the Court will give to [petitioners].
>
> The Court, therefore, resets the hearing of this case to May 8, 2009 at 8:30 a.m.
>
> SO ORDERED."[7]

On April 28, 2009, petitioners alleged that they informed respondents that they are ready and able to pay the sum of ₱300,000.00, but respondents refused to accept the payment. On even date, petitioners filed a manifestation before the RTC that they are willing to pay the aforesaid sum.[8]

On April 29, 2009, respondents filed a counter-manifestation stating that the subject judgment based on compromise agreement

---

[6] *Id.* at 25-26.

[7] *Id.* at 26.

[8] *Id.* at 26-27.

constituted *res judicata* between the parties and can no longer be disturbed; that the Order dated January 30, 2009 is defective for lack of consent of respondent Arnel Soriano who died on August 2, 2007; and that petitioners failed to pay the stipulated sum within the period set under the subject judgment based on compromise agreement; hence, the issuance of the writ of execution is proper.[9]

On May 14, 2009, the RTC granted respondents' motion for execution, to wit:

> "Whereas, judgment rendered in accordance with a compromise is not appealable, and is immediately executory, hence, the same is now final and executory.
>
> Whereas, [respondents] on April 29, 2009 filed with the court motion for execution of the above-mentioned compromise agreement, and accordingly allowed the issuance of this Writ of Execution."[10]

On June 1, 2009, petitioners filed a motion to quash writ of execution on the ground that execution is premature and constitutes a denial of due process in view of the extension of time for petitioners to pay the stipulated sum granted by the trial court in its Order dated January 30, 2009; and that execution would result in injustice as petitioners exerted utmost effort to raise the stipulated sum in order to retain the subject property that they acquired through their hard work.[11]

On June 4, 2009, the RTC issued an Order denying petitioners' motion to quash.[12]

On July 28, 2009, petitioners filed a second motion to quash writ of execution. They argued that respondents agreed or consented to the extension of time for them (petitioners) to pay the stipulated sum; that there is no law or jurisprudence prohibiting the parties from amending or modifying a compromise

---

[9] *Id.* at 27.

[10] *Id.* at 27-28.

[11] *Id.* at 28.

[12] *Id.*

agreement; and that the trial court's Order dated January 30, 2009 supersedes or cancels all its previous orders.[13]

On October 20, 2009, the RTC issued an Order denying the second motion to quash. However, on January 27, 2010, upon petitioners' motion for reconsideration, the RTC reversed its previous ruling and ordered respondents to receive the sum of ₱300,000.00 from petitioners in accordance with the subject compromise agreement.[14]

Aggrieved, respondents, in turn, moved for reconsideration, which the RTC denied in its Order dated April 13, 2010. Undeterred, on May 25, 2010, respondents' successors-in-interest filed a motion for execution to enforce the subject judgment based on compromise agreement.[15]

On June 16, 2010, the RTC granted the aforesaid motion and issued a writ of execution (subject writ of execution).[16]

Petitioners, thereafter, moved for reconsideration which the RTC denied in its Order dated September 6, 2010.

Hence, petitioners sought recourse before the CA *via* a petition for *certiorari*.

Ruling of the CA

In the assailed Decision dated December 2, 2013, the CA held that a compromise agreement, once approved by final order of a court of competent jurisdiction, is final and executory. It has the force of law and is conclusive between the parties. Thus, it becomes a judgment subject to execution in accordance with the Rules of Court.

According to the CA, when the RTC approved the subject compromise agreement on June 4, 2007, it became a final and executory judgment which can no longer be modified or

---

[13] *Id.* at 28-29.

[14] *Id.* at 29-30.

[15] *Id.* at 30.

[16] *Id.*

amended. As a result, the subsequent Order dated January 30, 2009 of the RTC which extended the period of payment beyond the terms of the subject compromise agreement was improper and erroneous. The RTC was without power to relieve petitioners from an obligation they had voluntarily assumed. It had no authority to impose on the parties a judgment different from or against the terms and conditions of their compromise agreement.

Under the subject judgment based on compromise agreement, petitioners had until June 4, 2008 (*i.e.*, one year from the approval by the RTC of the subject compromise agreement on June 4, 2007) to pay the sum of ₱300,000.00, but they failed to do so. Thus, when respondents filed their motion for execution on September 9, 2008, in order to enforce the subject judgment based on compromise agreement, the issuance of the writ of execution became a matter of right and the RTC had the ministerial duty to issue such writ. Hence, the RTC did not commit grave abuse of discretion in issuing the subject writ of execution.

Petitioners moved for reconsideration which the CA denied in its assailed Resolution dated June 2, 2015.

Hence, this petition.

Issues

The Court deems the proper issues for resolution to be as follows:

I.

Whether petitioners availed themselves of the proper remedies.

II.

Whether the proper party litigants validly entered into a new or modified compromise agreement which superseded the judgment based on compromise agreement.

III.

Whether the RTC committed grave abuse of discretion

when it issued the subject writ of execution to enforce the subject judgment based on compromise agreement.

The Court's Ruling

The Court affirms the ruling of the CA but for different reasons.

At the outset, the Court notes that the execution proceedings subject of this case was unnecessarily drawn-out, because the RTC erroneously permitted petitioners to resort to improper remedies.

As narrated earlier, on June 1, 2009, petitioners filed a motion to quash writ of execution on the ground that execution is premature, unjust, and violates their right to due process principally because of the extension of time to pay the stipulated sum granted to petitioners by the RTC in its Order dated January 30, 2009.

On June 4, 2009, however, the RTC issued an Order denying petitioners' motion to quash.

Thereafter, or on July 28, 2009, petitioners filed a second motion to quash writ of execution. Amplifying the previous grounds that they raised in their first motion to quash, petitioners argued that respondents agreed to the aforesaid extension of time for petitioners to pay their obligation, as stated in the Order dated January 30, 2009; that there is no law or jurisprudence prohibiting the parties from amending or modifying a compromise agreement; and that the RTC's Order dated January 30, 2009 supersedes or cancels all its previous orders.

Based on the foregoing, the Court finds that the RTC should have dismissed outright the second motion to quash for violating the Omnibus Motion Rule and for being the improper remedy.

Under Section 9,[17] Rule 15 of the Revised Rules of Civil Procedure,[18] the Omnibus Motion Rule states:

---

[17] Formerly Section 8, Rule 15 of the 1997 Rules of Civil Procedure.

[18] Administrative Matter No. 19-10-20-SC (Approved: 15 October 2019; Effectivity: 01 May 2020).

Subject to the provisions of Section 1 of Rule 9, a motion attacking a pleading, order, judgment, or proceeding shall include all objections then available, and all objections not so included shall be deemed waived.

The spirit or rationale of the foregoing rule is to require the movant to raise all available grounds for relief in a single opportunity in order to avoid multiple and piece-meal objections.[19] In the present case, the second motion to quash raised additional arguments to support or amplify those contained in the first motion to quash, but which arguments were already available prior to and at the time of filing of the first motion to quash. Thus, such additional arguments are deemed waived and can no longer be raised in the second motion to quash by virtue of the Omnibus Motion Rule.

Furthermore, from the denial of petitioners' first motion to quash, the proper remedy was not to file a second motion to quash, but to seek recourse to a higher court either by appeal (writ of error or *certiorari*) or by a special civil action of *certiorari*, prohibition, or *mandamus*,[20] if warranted under exceptional circumstances established by jurisprudence and upon compliance with any prerequisite (*e.g.*, filing of a motion for reconsideration) required by the Rules. As the Court explained in *Limpin, Jr. v. Intermediate Appellate Court*,[21] although, as a general rule, no appeal lies from an order denying a motion to quash writ of execution,[22] there are exceptions to this rule:

Certain it is x x x that execution of final and executory judgments may no longer be contested and prevented, and no appeal should lie therefrom: otherwise, cases would be interminable, and there would be negation of the overmastering need to end litigations.

---

[19] *Manacop v. Court of Appeals*, 290 Phil. 271, 279 (1992).

[20] *Limpin, Jr. v. Intermediate Appellate Court*, 231 Phil. 466, 474 (1987). Citations omitted.

[21] *Id.*

[22] *Reburiano v. CA*, 361 Phil. 294, 301-302 (1999).

There may, to be sure, be instances when an error may be committed in the course of execution proceedings prejudicial to the rights of a party. These instances, rare though they may be, do call for correction by a superior court, as where —

1) the writ of execution varies the judgment;

2) there has been a change in the situation of the parties making execution inequitable or unjust;

3) execution is sought to be enforced against property exempt from execution;

4) it appears that the controversy has never been submitted to the judgment of the court;

5) the terms of the judgment are not clear enough and there remains room for interpretation thereof; or,

6) it appears that the writ of execution has been improvidently issued, or that it is defective in substance, or is issued against the wrong party, or that the judgment debt has been paid or otherwise satisfied, or the writ was issued without authority;

In these exceptional circumstances, considerations of justice and equity dictate that there be some mode available to the party aggrieved of elevating the question to a higher court. That mode of elevation may be either by appeal (writ of error or *certiorari*) or by a special civil action of *certiorari*, prohibition, or *mandamus*.[23]

Resultantly, flowing from the patent infirmities of the second motion to quash, the Order dated June 4, 2009 denying petitioners' first motion to quash attained finality; hence, the execution of the subject judgment based on compromise agreement should have proceeded as a matter of course.

At any rate, even if the Court was to disregard for the nonce the foregoing procedural infirmities that attended the subject execution proceedings and adjudicate this case on the merits, the instant petition still fails.

The CA principally relied on the doctrine of immutability of final judgments in concluding that the subject judgment based

---

[23] *Limpin, Jr. v. Intermediate Appellate Court, supra* note 20 at 472-474.

on compromise agreement can no longer be altered or modified; hence, the trial court's Order dated January 30, 2009 could not and did not extend the period of payment stipulated therein.

Petitioners, however, concede that the subject judgment based on compromise agreement is already final and executory, and instead, they argue that said final judgment was superseded by a new or modified compromise agreement, during the January 30, 2009 hearing on the motion for execution, where respondents allegedly agreed to give petitioners until April 30, 2009 within which to pay the sum of ₱300,000.00 as redemption or repurchase price of the subject property. In essence, petitioners argue that there is no law or jurisprudence which prohibits the parties from entering into a new or modified compromise agreement even after a judgment based on compromise agreement has attained finality.

Within the context of the present case, the Court finds that the applicable principle is the rule on compromise agreements after final judgment, and not the doctrine of immutability of final judgments. A final judgment based on compromise agreement has the same force and effect of a final judgment on the merits by a court of competent jurisdiction, and is, thus, subject to the same prevailing principles on compromise agreements after final judgment.

The rule of long standing is that rights may be waived or modified through a compromise agreement even after a final judgment has already settled the rights of the contracting parties.[24] The compromise, to be binding, must be shown to have been voluntarily, freely and intelligently executed by the parties, who had full knowledge of the judgment.[25] In consonance with the law on contracts, the compromise must not be contrary to law, morals, good customs and public policy.[26]

In *Magbanua v. Uy*,[27] the Court explained thus:

---

[24] *Magbanua v. Uy*, 497 Phil. 511, 525-526 (2005).

[25] *Id.*

[26] *Id.*

[27] *Id.*

The issue involving the validity of a compromise agreement notwithstanding a final judgment is not novel. *Jesalva v. Bautista* upheld a compromise agreement that covered cases pending trial, on appeal, and with final judgment. The Court noted that Article 2040[28] (of the Civil Code) impliedly allowed such agreements; there was no limitation as to when these should be entered into. *Palanca v. Court of Industrial Relations* sustained a compromise agreement, notwithstanding a final judgment in which only the amount of back wages was left to be determined. The Court found no evidence of fraud or of any showing that the agreement was contrary to law, morals, good customs, public order, or public policy.

Gatchalian v. Arlegui upheld the right to compromise prior to the execution of a final judgment. The Court ruled that the final judgment had been novated and superseded by a compromise agreement. Also, *Northern Lines, Inc. v. Court of Tax Appeals* recognized the right to compromise final and executory judgments, **as long as such right was exercised by the proper party litigants**.

x x x x x x x x x

There is no justification to disallow a compromise agreement, solely because it was entered into after final judgment. **The validity of the agreement is determined by compliance with the requisites and principles of contracts**, not by when it was entered into. As provided by the law on contracts, a valid compromise must have the following elements: (1) the consent of the parties to the compromise, (2) an object certain that is the subject matter of the compromise, and (3) the cause of the obligation that is established.[29] (Emphasis and underscoring supplied.)

In the case at bar, there was nothing to prevent the parties from entering into a new or modified compromise agreement even after the subject judgment based on compromise agreement attained finality. Nonetheless, the Court holds that petitioners

---

[28] ARTICLE 2040. If after a litigation has been decided by a final judgment, a compromise should be agreed upon, either or both parties being unaware of the existence of the final judgment, the compromise may be rescinded.

Ignorance of a judgment which may be revoked or set aside is not a valid ground for attacking a compromise.

[29] *Magbanua v. Uy, supra* note 24 at 521-522. Citations omitted.

failed to convincingly show that respondents consented or agreed to this new or modified compromise agreement, which purported to supersede the subject judgment based on compromise agreement.

Respondent Cricela Soriano argue that she and her now deceased husband, respondent Arnel Soriano, did not agree to the aforesaid extension of time to pay, because: (1) during the January 30, 2009 hearing on their motion for execution, respondents' counsel objected[30] to the granting of the extended period (which petitioners do not dispute before the Court), however, the trial court insisted on giving petitioners more time to pay the obligation, despite the lapse of the period under the judgment based on compromise agreement, and (2) respondent Arnel Soriano had previously died on August 2, 2007, as evidenced by the original copy[31] of his death certificate, thus, making it impossible for him to have given his consent to the alleged modification of the original compromise agreement during the January 30, 2009 hearing.

Petitioners rely heavily on the wording of the trial court's Order dated January 30, 2009, which stated, in part, that the extension of time to pay was "with the permission of [respondents]." However, under the peculiar circumstances of this case, the Court cannot take such wording at face value precisely because of: (1) respondents' uncontroverted evidence that respondent Arnel Soriano had previously died on August 2, 2007; and (2) the lack of sufficient proof that respondent Cricela Soriano as well as respondent Arnel Soriano's heirs[32] were actually present during the January 30, 2009 hearing and gave their consent to the new or modified compromise agreement.

The Court finds that a greater degree of circumspection is warranted in this particular case, because the purported

---

[30] *Rollo*, p. 52.

[31] *Id.* at 61.

[32] There is an unrefuted allegation by respondents that respondents Spouses Cricela and Arnel Soriano have children, *id.* at 57.

modification to the subject compromise agreement is in the nature of a unilateral concession in favor of petitioners (a form of pure gratuity) vigorously contradicted with proof by respondents, so that it was incumbent upon petitioners, who had the burden of proof, to convincingly show that the new or modified compromise agreement, which would have the effect of superseding the subject judgment based on compromise agreement, was voluntarily, freely and intelligently entered into by the proper party litigants. This, petitioners failed to do.

Thus, the Court is constrained to rule that the requisite consent to enter into a new or modified compromise agreement was lacking. Hence, no new or modified compromise agreement was validly entered into by the proper party litigants which would have superseded the subject judgment based on compromise agreement. Since it is undisputed that petitioners were in default of payment under the terms of the subject judgment based on compromise agreement, then the issuance by the trial court of the subject writ of execution to enforce said final judgment was, therefore, proper.

Be that as it may, even if we were to assume *arguendo* that the proper party litigants in this case validly entered into a new or modified compromise agreement, which superseded the subject judgment based on compromise agreement by extending the period of payment stipulated therein, the result would still be the same.

It will be recalled that the alleged extension as per the Order dated January 30, 2009 allowed petitioners to pay the stipulated sum on or before April 30, 2009. On April 28, 2009, petitioners manifested before the trial court their willingness and ability to pay the said sum, but, according to petitioners, respondents allegedly rejected their offer of payment.[33] Instead, on April 29, 2009, respondents filed a counter-manifestation maintaining that the subject judgment based on compromise agreement is already final and executory; that the period to pay has already lapsed warranting the execution of the same; and that the Order

---

[33] *Id.* at 13.

dated January 30, 2009 is defective for lack of consent, because respondent Arnel Soriano had previously died on August 2, 2007.

Based on the alleged unjustified refusal of respondents to accept the said payment, the proper remedy of petitioners should have been the consignation of payment with the trial court in order to comply with their obligation under the new or modified compromise agreement. In *Allandale Sportsline, Inc., et al. v. The Good Dev't. Corp.*,[34] we held:

> Tender of payment, without more, produces no effect; rather, tender of payment must be followed by a valid consignation in order to produce the effect of payment and extinguish an obligation.
>
> Tender of payment is but a preparatory act to consignation. It is the manifestation by the debtor of a desire to comply with or pay an obligation. If refused without just cause, the tender of payment will discharge the debtor of the obligation to pay but only after a valid consignation of the sum due shall have been made with the proper court.[35]

In the present case, petitioners failed to perform such valid consignation of payment. Before the Court, and up to this point in these proceedings, they merely reiterate that they are willing and able in earnest to pay the sum of ₱300,000.00 to respondents, if so ordered.[36] The net effect of their lack of valid consignation of payment is that petitioners would have been, likewise, in default under the terms of the new or modified compromise agreement; thus, giving rise to the right of respondents to move for execution of the subject judgment based on compromise agreement. In short, the issuance of the subject writ of execution would still be proper.

Finally, petitioners invoke the equity jurisdiction of the Court to allow them to make a belated payment under the subject compromise agreement. However, as we have often ruled, equity,

---

[34] 595 Phil. 265 (2008).

[35] *Id.* at 277.

[36] *Rollo*, p. 18.

which has been aptly described as "justice outside legality," is only applied in the absence of, and never against statutory law or judicial rules of procedure.[37]

This legal controversy stemmed from petitioners' failure to pay their obligation to respondents in order to redeem or repurchase the subject property. Petitioners neither deny the existence of this obligation (and their corresponding breach thereof) nor contest its validity. During the mediation proceedings on October 29, 2005, the parties entered into the subject compromise agreement that gave petitioners another opportunity to pay the sum owed, but again they failed to do so. Their plea for equity cannot, therefore, prevail over the clear legal consequences of the breach of their obligation to respondents who, after giving valuable consideration to petitioners, have long awaited and are entitled to the satisfaction of their just claims.

WHEREFORE, the petition is **DENIED**. The Decision dated December 2, 2013 and the Resolution dated June 2, 2015 in CA-G.R. CEB SP No. 05485 are **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Lazaro-Javier,[*] and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

---

[37] *Zabat, Jr. v. CA*, 226 Phil. 489 (1986).

[*] Designated additional member per Raffle dated August 19, 2020.

SECOND DIVISION

[G.R. No. 224399. August 24, 2020]

ELOISA M. ELEAZAR and VIRGELIO M. ELEAZAR, *petitioners*, *vs.* **OFFICE OF THE OMBUDSMAN, PSI LODOVICO M. ELEAZAR, JR., PO2 JOMAR B. CAMAT, PO2 BILLY JOE M. COLLADO, PO3 ERWIN E. LOPEZ, BRGY. CAPTAIN EDGAR M. ELEAZAR, and BRGY. KAGAWAD ROGELIO E. LOPEZ,** *respondents*.

SYLLABUS

REMEDIAL LAW; SPECIAL CIVIL ACTIONS; *CERTIORARI*; REMEDY TO ASSAIL THE OMBUDSMAN'S DECISION ASCRIBING GRAVE ABUSE OF DISCRETION, TO BE FILED WITH THE COURT OF APPEALS.— [T]he proper procedure to assail the Ombudsman's dismissal of an administrative case or the administrative aspect of its decision, is *via* a petition for *certiorari* under Rule 65 of the Rules of Court, ascribing grave abuse of discretion, to be filed with the CA. This is exactly what the petitioners did in the instant case.

APPEARANCES OF COUNSEL

Caba Monje Peralta & Llanillo for petitioners.

D E C I S I O N

INTING, *J.*:

This Petition[1] for Review on *Certiorari* under Rule 45 of the Rules of Court assails the Decision[2] dated May 28, 2015

---

[1] *Rollo*, pp. 10-29.

[2] *Id.* at 163-171; penned by Associate Justice Ricardo R. Rosario with Associate Justices Andres B. Reyes, Jr. (now a retired member of the Court) and Edwin D. Sorongon, concurring.

and the Resolution[3] dated March 29, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 131985 which dismissed petitioners' petition for *certiorari* for lack of jurisdiction.

The Antecedents

Eloisa M. Eleazar[4] filed an administrative complaint[5] for Grave Misconduct before the Office of the Ombudsman (Ombudsman) against: Police Senior Inspector Lodovico M. Eleazar, Jr. (PSI Lodovico), Police Officer II Jomar B. Camat (PO2 Camat), PO2 Billy Joe M. Collado (PO2 Collado), PO3 Erwin E. Lopez (PO3 Lopez), *Barangay* Captain Edgar M. Eleazar (Brgy. Capt. Eleazar), and *Barangay Kagawad* Rogelio E. Lopez (*Kagawad* Lopez) (collectively, respondents).

The allegations of the complaint are summarized as follows:

In the afternoon of 19 June 2011, private respondents appeared at the residential compound of Rodrigo C. Eleazar (hereinafter Rodrigo) — the husband of petitioner Eloisa and father of petitioner Virgelio — and his son, Gener M. Eleazar (hereinafter Gener). Private respondents were at the time armed with long rifles. Said residential compound is situated in Laoac, Pangasinan.

Upon his arrival at the compound, [PSI Lodovico] initiated a verbal argument between him and Gener. When petitioner Eloisa saw that the two were already arguing, she approached Gener and instructed him to stop.

Petitioner Eloisa then called petitioner Virgelio to come and assist her in bringing Gener to his house located inside the compound. Rodrigo then arrived and directed Gener to stop arguing with respondent [PSI Lodovico].

---

[3] *Id.* at 187.

[4] Only Eloisa Eleazar's name appeared in the complaint, but in the Position Paper for the Complainants filed before the Ombudsman, it is stated therein that she is joined as co-complainant by her son, Virgelio M. Eleazar. Further, the Ombudsman treated them both as complainants as can be seen in its Order dated October 10, 2012, *id.* at 155-159.

[5] *Id.* at 73-74.

Petitioners and Gener were in the process of bringing Gener home when [Brgy. Capt. Eleazar] and Kagawad Lopez came from the opposite direction.

According to petitioners, for no reason at all, [Brgy. Capt. Eleazar] and Kagawad Lopez started to attack Gener, punching and kicking him at the same time. The mauling continued despite petitioner Virgelio's attempt to pacify both [Brgy. Capt. Eleazar] and Kagawad Lopez.

Fearing for the safety of petitioner Eloisa, Rodrigo instructed her to proceed home, but even before she could leave the scene, [PSI Lodovico] purportedly shot Rodrigo while his (Rodrigo's) back was turned away from him ([PSI Lodovico]).

Rodrigo fell to the ground, and petitioner Eloisa checked on him. Several gunshots coming from the company of private respondents then rang out, and petitioner Eloisa noticed Gener running to hide behind a nearby tree inside their compound.

Meanwhile, petitioner Virgelio ran inside his house which was located only 25 meters away from the scene.

Petitioner Eloisa thereafter left Rodrigo to seek help from her brother-in-law, Marcelino Eleazar.

Meanwhile, Gener, who was then still hiding behind the tree, was approached from behind by [PSI Lodovico] who, at point blank range, then proceeded to shoot the former on the chest. Petitioner Virgelio said that from inside his residence, he witnessed how [PSI Lodovico] shot Gener at close-blank range.[6]

For respondents, their contentions are summed up as follows:

> x x x [T]he deaths of Rodrigo and Gener came as a result of a legitimate shoot-out. They narrate that on the day of the incident, they went to the place of the incident to respond to a report of indiscriminate firing being committed by Gener.

Upon reaching the place, [PSI Lodovico] confronted Gener, warning him to cease from indiscriminately firing his gun.

During the confrontation, Rodrigo sided with his son, Gener, prompting [Brgy. Capt. Eleazar] to admonish him too.

---

[6] *Id.* at 164-165.

Rodrigo and Gener resented the admonition and reacted violently thereto by shooting private respondents, hitting [Brgy. Captain Edgar Eleazar], Kagawad Lopez and PO3 Lopez.

An exchange of gunfire thereafter ensued which resulted in the death of Rodrigo and Gener.

They contend that two caliber .45 firearms belonging to the two fatalities were recovered from the scene of the incident, along with several spent shells coming from said handguns.[7]

In the Decision[8] dated January 17, 2012, the Ombudsman dismissed the complaint. It held that respondents were able to adduce clear, convincing, and credible evidence to rebut petitioners' charges. Further, the Ombudsman declared that the following circumstances lent credence to respondents' averments: (a) respondents merely responded to a report that someone was firing his gun indiscriminately; (b) the request for police assistance was recorded in the logbook; (c) [PO3 Lopez], Brgy. Capt. Eleazar, and *Kagawad* Lopez sustained injuries during the incident; (d) petitioners failed to refute respondents' claim that Rodrigo C. Eleazar (Rodrigo) and Gener M. Eleazar (Gener) were responsible for the injuries sustained by the respondents; and (e) the Office of the Provincial Prosecutor, Lingayen, Pangasinan, in its Joint Resolution dated September 1, 2011, found that respondents were justified in shooting Rodrigo and Gener as respondents were acting in the lawful exercise of their duty.[9] The Ombudsman disposed of the case as follows:

WHEREFORE, premises considered, it is respectfully recommended that the administrative complaint for Grave Misconduct against respondents PSI LODOVICO M. ELEAZAR, JR. (a.k.a. P/SInsp. Lodovico Mensigos Ellazar Jr.), PO2 JOMAR CAMAT (a.k.a. PO2 Jomar Bernabe Camat), PO2 BILLY JOE COLLADO (a.k.a. PO2

---

[7] *Id.* at 165-166.

[8] *Id.* at 132-137; penned by Graft Investigation & Prosecution Officer Kathryn Rose A. Hitalia-Baliatan, concurred in by Director Dennis L. Garcia, and approved by Overall Deputy Ombudsman Orlando C. Casimiro.

[9] *Id.* at 135-136.

Billy Joe Marinas Collado), PO3 ERWIN LOPEZ (a.k.a. SPO1 Erwin Ellazar Lopez), BARANGAY CAPTAIN EDGAR ELEAZAR (a.k.a. Edgar Mensigos Ellazar) and BARANGAY KAGAWAD ROGELIO LOPEZ (a.k.a. Rogelio Ellazar Lopez) be DISMISSED.

SO ORDERED.[10]

Petitioners sought a reconsideration of the Ombudsman's Decision. However, the Ombudsman denied it in the Order[11] dated October 10, 2012.

Aggrieved, petitioners filed before the CA a Petition[12] for *Certiorari* under Rule 65 of the Rules of Court ascribing grave abuse of discretion to the Ombudsman for dismissing the administrative complaint for Grave Misconduct.[13]

In the Decision[14] dated May 28, 2015, the CA dismissed the case for lack of jurisdiction ratiocinating as follows:

Much as We would like to delve on the merits of the instant petition, We are left with no recourse but to dismiss the instant case for lack of jurisdiction. It appears that in filing the instant petition for certiorari, petitioners availed of the wrong remedy from public respondent's decision.

Since public respondent absolved private respondents of the administrative complaint against them, said decision partook of a final and executory character. Under Section 7, Rule III of the Rules of Procedure of the Office of the Ombudsman and applicable jurisprudence, the jurisdiction of this Court, insofar as decisions of the Office of the Ombudsman in administrative cases are concerned, is limited to those in which the penalty imposed is not of a final and executory character. In such case, the decision is appealable, but the same should be filed in this Court through a petition for review under Rule 43 of the Revised Rules of Court, and not through a petition for certiorari under Rule 65. x x x

---

[10] *Id.* at 136.

[11] *Id.* at 155-159.

[12] *Id.* at 31-49.

[13] *Id.* at 38.

[14] *Id.* at 163-171.

x x x x x x x x x

To reiterate, the decision sought to be reviewed is final and executory, owing to the fact that private respondents were absolved therein. Being final and executory, it is unappealable, and is thus outside the jurisdiction of this Court, as it is clearly laid down in Section 7, Rule III of the Ombudsman Rules of Procedure and the ruling of the Supreme Court in *Villasenor*.[15]

The CA pronounced that since the Ombudsman dismissed the administrative case, the dismissal is final and executory and therefore not appealable. As a result, it has no jurisdiction over the petition for *certiorari* assailing the Ombudsman's ruling.[16]

The CA further held that the remedy available to petitioners from the dismissal of the administrative case was to file a petition for *certiorari* under Rule 65 of the Rules of Court, not with it, but before the Court.[17]

Petitioners moved for a reconsideration[18] of the CA Decision, but the CA denied it in a Resolution[19] dated March 29, 2016.

Hence, the petition for review.

The Court's Ruling

The case is remanded to the CA. The CA procedurally erred in dismissing petitioners' petition for *certiorari* on the ground of lack of jurisdiction.

Previously, as provided in Section 27 of Republic Act No. 6770 or The Ombudsman Act of 1989, judicial review of decisions of the Office of the Ombudsman in administrative cases was directed to the Court.[20] Section 27 reads:

---

[15] *Id.* at 167-168.

[16] *Id.* at 168.

[17] *Id.* at 168-169.

[18] See Motion for Reconsideration dated June 30, 2015, *id.* at 172-178.

[19] *Id.* at 187.

[20] *Joson v. The Office of the Ombudsman, et al.*, 816 Phil. 288, 311 (2017).

Section 27. *Effectivity and Finality of Decisions*. — (1) All provisionary orders of the Office of the Ombudsman are immediately effective and executory.

A motion for reconsideration of any order, directive or decision of the Office of the Ombudsman must be filed within five (5) days after receipt of written notice and shall be entertained only on any of the following grounds:

(1) New evidence has been discovered which materially affects the order, directive or decision;

(2) Errors of law or irregularities have been committed prejudicial to the interest of the movant. The motion for reconsideration shall be resolved within three (3) days from filing: Provided, That only one motion for reconsideration shall be entertained.

Findings of fact by the Office of the Ombudsman when supported by substantial evidence are conclusive. Any order, directive or decision imposing the penalty of public censure or reprimand, suspension of not more than one (1) month salary shall be final and unappealable.

In all administrative disciplinary cases, orders, directives, or decisions of the Office of the Ombudsman may be appealed to the Supreme Court by filing a petition for certiorari within ten (10) days from receipt of the written notice of the order, directive or decision or denial of the motion for reconsideration in accordance with Rule 45 of the Rules of Court.

The above rules may be amended or modified by the Office of the Ombudsman as the interest of justice may require. (Italics supplied.)

However, in the case of *Fabian v. Hon. Desierto*[21] (*Fabian*), the Court declared Section 27 unconstitutional for increasing the Court's appellate jurisdiction in violation of the proscription under Section 30,[22] Article VI of the Constitution.[23] It was further

---

[21] 356 Phil. 787 (1998).

[22] Section 30, Article VI of the Constitution provides:

Section 30. No law shall be passed increasing the appellate jurisdiction of the Supreme Court as provided in this Constitution without its advice and concurrence.

[23] *Joson v. The Office of the Ombudsman, et al.*, *supra* note 20 at 312, citing *Fabian v. Hon. Desierto*, *supra* note 21 at 810.

ruled in *Fabian* that "*appeals from decisions of the Office of the Ombudsman in administrative disciplinary cases should be taken to the Court of Appeals under the provisions of Rule 43*."[24]

In the recent case of *Joson v. The Office of the Ombudsman, et al.*,[25] petitioner therein filed a petition for *certiorari* under Rule 65 before the Court assailing the Ombudsman's rulings dismissing the administrative and criminal charges against respondents in that case. The Court held therein:

> With respect to the dismissal of the administrative charge for gross misconduct, the Court finds that the same has already attained finality because Joson failed to file a petition for *certiorari* before the Court of Appeals (*CA*).
>
> The assailed ruling of the Ombudsman absolving the private respondents of the administrative charge possesses the character of finality and, thus, not subject to appeal. Section 7, Rule III of the Ombudsman Rules provides:
>
>> SECTION 7. Finality of decision. — Where the respondent is absolved of the charge, and in case of conviction where the penalty imposed is public censure or reprimand, suspension of not more than one month, or a fine equivalent to one month salary, the decision shall be final and unappealable. In all other cases, the decision shall become final after the expiration of ten (10) days from receipt thereof by the respondent, unless a motion for reconsideration or petition for certiorari shall have been filed by him as prescribed in Section 27 of RA 6770. [Emphasis supplied]
>
> In *Reyes, Jr. v. Belisario*, the Court wrote:
>
>> The clear import of Section 7, Rule III of the Ombudsman Rules is to deny the complainant in an administrative complaint the right to appeal where the Ombudsman has exonerated the respondent of the administrative charge, as in this case. The complainant, therefore, is not entitled to any corrective recourse, whether by motion for reconsideration in the Office of the Ombudsman, or by appeal to the courts, to effect a reversal of

---

[24] *Fabian v. Hon. Desierto, supra* note 21 at 808.

[25] 784 Phil. 172 (2016).

the exoneration. Only the respondent is granted the right to appeal but only in case he is found liable and the penalty imposed is higher than public censure, reprimand, one-month suspension or fine a equivalent to one month salary.

Though final and unappealable in the administrative level, the decisions of administrative agencies are still subject to judicial review if they fail the test of arbitrariness, or upon proof of grave abuse of discretion, fraud or error of law, or when such administrative or quasi-judicial bodies grossly misappreciate evidence of such nature as to compel a contrary conclusion. Specifically, the correct procedure is to file a petition for *certiorari* before the CA to question the Ombudsman's decision of dismissal of the administrative charge. Joson, however, failed to do this. Hence, the decision of the Ombudsman exonerating the private respondents from the charge of grave misconduct had already become final. In any event, the subject petition failed to show any grave abuse of discretion or any reversible error on the part of the Ombudsman to compel this Court to overturn its assailed administrative ruling.[26]

Thus, the proper procedure to assail the Ombudsman's dismissal of an administrative case or the administrative aspect of its decision, is *via* a petition for *certiorari* under Rule 65 of the Rules of Court, ascribing grave abuse of discretion, to be filed with the *CA*. This is exactly what the petitioners did in the instant case. However, the CA wrongly held that petitioners' petition for *certiorari* filed before it was an improper mode to question the Ombudsman's dismissal of the administrative case. What is more, the CA erroneously ruled that the remedy available to petitioners was the filing of a Rule 65 petition before the Court.

Inasmuch as the CA has jurisdiction over petitioners' petition for *certiorari*, the case is remanded to the CA for further proceedings, and resolution on its merits.

WHEREFORE, the Decision dated May 28, 2015 and the Resolution dated March 29, 2016 of the Court of Appeals in CA-G.R. SP No. 131985 are **REVERSED AND SET ASIDE**.

---

[26] *Id.* at 189-191. Emphasis and citations omitted.

Accordingly, the case is **REMANDED** to the Court of Appeals for further proceedings and disposition on its merits.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

THIRD DIVISION

[G.R. No. 226779. August 24, 2020]

ALFREDO ANI CORCORO, JR., *petitioner*, *vs.* **MAGSAYSAY MOL MARINE, INC., MOL SHIP MANAGEMENT CO., LTD., and FRANCISCO D. MENOR,** *respondents.*

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION – STANDARD EMPLOYMENT CONTRACT (POEA-SEC); EMPLOYER'S LIABILITY FOR SEAFARER'S ILLNESS OR INJURY GOVERNED BY SECTION 20 OF THE POEA-SEC; REQUISITES.—** Under Section 20(A) of the POEA-SEC, an employer shall be liable for a seafarer's illness or injury when it is proven that: (1) the injury or illness is work-related; and (2) the work-related injury or illness existed during the term of the seafarer's employment contract. The POEA-SEC defines a work-related illness as any sickness resulting from an occupational disease under the non-exhaustive list in Section 32-A. In this case, Alfredo suffered from cardiovascular events, particularly, a heart attack, which is a listed occupational illness. For said illness to be compensable, Section 32-A provides for

conditions that need to be satisfied in order to show that a seafarer suffered disabilities occasioned by a disease contracted on account of or aggravated by working conditions.

2. **ID.; ID.; ID.; WHEN IT IS SHOWN THAT THE SEAFARER'S WORK MAY HAVE CONTRIBUTED TO THE ESTABLISHMENT OR AT THE VERY LEAST AGGRAVATION OF ANY PRE-EXISTING DISEASE, THE CONDITION/ILLNESS SUFFERED BY THE SEAFARER SHALL BE COMPENSABLE; CASE AT BAR.—** It is settled that when it is shown that the seafarer's work may have contributed to the establishment or, **at the very least, aggravation** of any pre-existing disease, the condition/illness suffered by the seafarer shall be compensable. Here, Alfredo's tasks as Messman required physical labor. He explained that he performed a wide variety of responsibilities from cleaning in the vessel to lifting heavy loads as a porter. His work definitely produced stress and strain normally resulting in the wear and tear of the body.

3. **ID.; ID.; REPORTORIAL REQUIREMENT; A FINAL, CONCLUSIVE AND DEFINITE ASSESSMENT BY THE COMPANY-DESIGNATED PHYSICIAN MUST CLEARLY STATE WHETHER THE SEAFARER IS FIT TO WORK OR THE EXACT DISABILITY RATING, OR WHETHER SUCH ILLNESS IS WORK-RELATED.—** A final, conclusive and definite assessment must clearly state whether the seafarer is fit to work or the exact disability rating, or whether such illness is work-related, and without any further condition or treatment. It should no longer require any further action on the part of the company-designated physician and it is issued by the company-designated physician after he or she has exhausted all possible treatment options within the periods mandated by law.

4. **ID.; ID.; ID.; COMPLIANCE WITH THE 120/240 DAY PERIOD FOR THE COMPANY-DESIGNATED PHYSICIAN TO ISSUE ITS FINAL ASSESSMENT IS MANDATORY; FAILURE TO ISSUE FINAL ASSESSMENT, EFFECT.—** We emphasize the importance of compliance by the company and the company-designated physician in issuing a final and definitive assessment within the 120/240 day mandated periods. For only with said assessment

can the seafarer then seek the opinion of his or her personal physician. The periods are mandatory to prevent the seafarer from endlessly waiting for a declaration of fitness to work or disability grading from the company and the company-designated physician. Should the company-designated physician fail to give the proper medical assessment and the seafarer's medical condition remains unresolved, the seafarer shall be deemed totally and permanently disabled, as in this case.

APPEARANCES OF COUNSEL

Justiniano B. Panambo, Jr. for petitioner.
Pecson Balubar & Luna Law Offices for respondents.

D E C I S I O N

CARANDANG, *J.*:

The instant Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court assails the Decision[2] dated March 31, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 135892, dismissing the complaint for payment of permanent and total disability benefits filed by petitioner Alfredo Corcoro, Jr. (Alfredo) against respondents Magsaysay Mol Marine, Inc., *et al*. (MMMI).

Facts of the Case

Alfredo had worked with MMMI for five years.[3] In March 2012, Alfredo was rehired by MMMI on behalf of its principal Mol Ship Management Co., Ltd. to work on board M/V Bergamot Ace for three months. In June 2012, his employment contract was extended for another six months.[4] His employment contract

---

[1] *Rollo*, pp. 9-39.

[2] Penned by Associate Justice Romeo F. Barza, with the concurrence of Associate Justices Ramon A. Cruz and Agnes Reyes-Carpio; *id.* at 42-54.

[3] *Id.* at 14.

[4] CA *rollo*, pp. 442-443.

is covered by a collective bargaining agreement (CBA), ITF Standard Collective Agreement. Prior to boarding the vessel, Alfredo underwent a pre-employment medical examination[5] (PEME). Alfredo's medical history shows high blood pressure, back injury/joint pain/arthritis, rheumatism and tropical diseases.[6] The foregoing conditions, particularly, hypertension and intercritical gout, have been cleared by the respective specialists and Alfredo was advised to have "proper diet/ nutrition."[7] Alfredo was declared fit to work[8] and was deployed as a messman.[9] Alfredo's duties and responsibilities include being a waiter, who serves food to the officers, crew and guests on board the vessel, dishwasher in the kitchen, assistant cook, bedroom steward, and porter. He also performs other tasks as may be assigned by the officers, crew or guests.[10]

Seven months into Alfredo's employment or in October 2012, he suddenly felt severe chest pains accompanied by dizziness and shortness of breath. Alfredo ignored the chest pain and decided to rest. The following day, Alfredo was awakened by chest pains again. He was initially given Aspirin, but this did not help his conditions. He was sent to a hospital in Africa on October 14, 2012 for further examination.[11] Alfredo's results showed that he was suffering from "Atherosclerotic Disease and Myocardial Infarction."[12] Further medical examination showed that he was suffering from "severe single vessel; coronary artery disease."[13] For this reason, Alfredo underwent a coronary artery bypass grafts (CABG) surgery.[14]

---

[5] *Id.* at 171.

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Rollo*, p. 13.

[10] *Id.* at 13-14.

[11] *Id.* at 14.

[12] CA *rollo*, p. 55.

[13] *Id.*

[14] *Id.*

After the operation, Alfredo was declared unfit to work and was recommended for medical repatriation.[15] On October 28, 2012, Alfredo arrived in the Philippines. Alfredo still complained of persisting chest pains and was immediately admitted on October 29, 2012, at the Manila Doctors Hospital for examination of company-designated physicians. After a series of laboratory tests, Alfredo was discharged from the hospital on November 1, 2012. The company-designated physician found his conditions to have stabilized, but he was still advised to continue follow-up check-up with the company-designated physicians.[16] On November 8, 2012, the company-designated physicians issued a medical certificate[17] showing that Alfredo is suffering from coronary arterial disease post CABG. On November 19, 2012, the physicians of MMMI declared Alfredo's heart condition and gouty arthritis as "not work[-]related"[18] and with a prognosis of "good."[19] The medical report further states that Alfredo shall be referred to a cardiologist for final clearance after one month.[20] He continued appearing for medical check-ups with the company-designated physicians extending to four months. On March 8, 2013, the company-designated physicians issued a report[21] stating that the wife of Alfredo appeared on his behalf to relay that Alfredo was incapable of traveling for the scheduled check-up due to his arthritis. Thereafter, Alfredo sought for payment of permanent and total disability benefits from MMMI, which was denied because the company-designated physicians assessed his illness at disability Grade 10 only.[22]

On March 12, 2013, Alfredo filed a complaint for payment of permanent and total disability benefits with the National

---

[15] *Rollo*, p. 15.

[16] *Id.*

[17] CA *rollo*, p. 178.

[18] *Rollo*, p. 127.

[19] *Id.*

[20] *Id.*

[21] *Id.* at 132.

[22] *Id.* at 16.

Labor Relations Commission (NLRC).[23] In June 2013, he secured the medical opinion of his physician, which stated that he had a permanent disability because he is unable to perform his work in the same manner as he used to.

MMMI, on the other hand, argues that the complaint should be dismissed because the Labor Arbiter (LA) had no jurisdiction over the instant case.[24] The CBA provides for a grievance machinery wherein parties must first raise their dispute with the voluntary arbitrators.[25] Further, the illness of Alfredo is not work-related because: (1) he was already hypertensive prior to deployment; (2) his work does not involve or expose him to any risk of acquiring heart attack or coronary heart disease; (3) it is not possible for him to have contracted his disease in the short course of time; (4) he did not show proof that he complied with the prescribed maintenance medication and lifestyle; and (5) an assessment had been issued by a medical expert that his illness as not work-related.[26] Alfredo also reneged on his medication with the company-designated physician because he manifested that he no longer wants to be treated by the company-designated physicians.[27]

Ruling of the Labor Arbiter

In a Decision[28] dated October 22, 2013, the LA held that it acquired jurisdiction over the case. MMMI failed to invoke the provision requiring referral to the voluntary arbitrator which constitutes a waiver to have the claim of Alfredo referred to the voluntary arbitrators. At this late stage of the proceedings, the parties have submitted to the jurisdiction of the LA by filing their respective position papers and ignoring the grievance

---

[23] *Rollo*, p. 62.

[24] CA *rollo*, pp. 73-75.

[25] *Id.* at 74.

[26] *Id.* at 75-81.

[27] *Id.* at 80.

[28] *Id.* at 54-66.

procedure set forth in the CBA.[29] The LA held that Alfredo's cardiovascular condition is work-related. The Philippine Overseas Employment Administration—Standard Employment Contract (POEA-SEC) does not require the attending physician to certify that the illness is work-related as it is the rules that provide for such determination. Following the conditions for compensability for the illness of cerebro vascular disease and cardiovascular events under Section 32 of the POEA-SEC, the LA found that Alfredo was subjected to strain and stress at work which could have been the cause or what could have aggravated his condition.[30] Notably, Alfredo has been in the service of MMMI for five years starting with a "clean health bill" and eventually developed the disputed illness during the term of his contract. The LA held that the work of Alfredo as messman produces strain and stress resulting in the wear and tear of the body. Further, it is enough that the employment had contributed, even in a small degree, to the development of the disease. Thus, even if his ailment occurred prior to his employment, this would still not deprive him of compensation benefits.[31] Finally, the LA held that Alfredo was unable to return to work for more than 120 days since his repatriation. This entitles him to payment of permanent and total disability benefits. Under the CBA, the LA awarded US$90,882.00 and 10% attorney's fees.[32]

Ruling of the National Labor Relations Commission

MMMI filed an appeal with the NLRC which was dismissed in a Decision[33] dated February 28, 2014. The NLRC agrees with the LA that there is no lack of jurisdiction over the case and that Alfredo's illness is work-related.[34]

---

[29] *Id.* at 56-58.

[30] *Id.* at 56-59.

[31] *Id.* at 63.

[32] *Id.* at 64-66.

[33] *Id.* at 43-52.

[34] *Id.* at 47-51.

Ruling of the Court of Appeals

Unsatisfied with the Decision of the NLRC, MMMI filed a Petition for *Certiorari*[35] under Rule 65 of the Rules of Court with the CA. In the assailed Decision[36] dated March 31, 2016, the CA granted MMMI's petition and reversed and set aside the Decision of the labor tribunal.[37] The CA maintains that the NLRC had jurisdiction over the disability claims and not the voluntary arbitrators. While Alfredo supplied a copy of the ITF Standard Collective Agreement, the CA held that it does not prove that it is the same CBA governing the parties. The document presented did not bear the names or signatures of the authorized signatories of the company. The provision of law on arbitration for disputes was also not pointed out to the CA. Thus, following the case *Eyana v. Philippine Transmarine Carrier, Inc.*,[38] the CA held that the CBA is inexistent for failure to prove the same. The provisions of the POEA-SEC shall govern. In which case, the NLRC has jurisdiction over the dispute.[39]

The CA upheld the medical assessment of the company-designated physician finding Alfredo's condition to be not work-related. Alfredo failed to rebut said assessment by substantial evidence. The medical certificate of his own physician did not even provide for findings how Alfredo's medical condition could have been work-related/aggravated.[40] The CA further emphasizes that Alfredo secured the opinion of his personal physician after filing his complaint for disability benefits. Without the medical assessment of his personal physician, Alfredo was only armed with his own belief that he is able to recover disability benefits. His claim for said benefits was premature as it was not even supported by the medical findings of his own physician.[41] The

---

[35] *Id.* at 3-37.

[36] *Supra* note 2.

[37] *Rollo*, pp. 53-54.

[38] 752 Phil. 232 (2015).

[39] *Rollo*, pp. 46-48.

[40] *Id.* at 51.

[41] *Id.* at 51-52.

CA also omitted the award for attorney's fees holding that there was no basis.[42] MMMI refused to pay permanent and total disability benefits as it relied on the company-designated physician's assessment that Alfredo's illness is not work-related. Further, it was Alfredo's own refusal to continue his treatment with the company-designated physicians that caused the cessation of the medical attention given to him by MMMI.[43]

In view of the foregoing Decision, Alfredo filed the instant petition for review under Rule 45 of the Rules of Court. Alfredo mainly argues that he is entitled to payment of permanent and total disability benefits. His condition falls squarely under the POEA-listed occupational illness cardiovascular disease.[44] Alfredo explains that his condition was acquired or worsened while he was on board the vessel, especially since he has been in the employ of MMMI for five years. His years of service took a toll on his body. Alfredo also claims that judicial notice should be taken that as a seaman, he is constantly subjected to the very stressful demands of his duties and responsibilities and exposed to the hazardous condition of his station. In addition, the food provided on board the vessel was mostly meat, or food items high in fat, high in cholesterol or low in fiber. Alfredo had no choice but to cook and eat what is available in the ship's provision. There is a reasonable connection between his job and his medical condition.[45] Alfredo argues entitlement to permanent and total disability benefits because he was unable to return to work after 120 days from his repatriation due to his work-related illness.[46] Alfredo also claims for payment of attorney's fees because he merely protected his interest in the suit.[47]

---

[42] *Id.* at 53.

[43] *Id.*

[44] *Id.* at 21-23.

[45] *Id.* at 24.

[46] *Id.* at 29.

[47] *Id.* at 37-38.

MMMI, in its Comment,[48] argues that Alfredo's working conditions do not involve risks of acquiring myocardial infarction (heart attack) or coronary heart disease. Apart from lack of substantial evidence to prove work-relatedness of his disease, MMMI reiterates that Alfredo was already hypertensive prior to deployment. He also has a family history of hypertension. Hence, his pre-existing illness could have been the cause of his heart attack.[49] Further, Alfredo was given medications to control his pre-existing illnesses, but Alfredo neither alleged nor proved that he complied with taking the prescribed maintenance medications and doctor-recommended lifestyle changes.[50] MMMI emphasizes that the company-designated physicians assessed Alfredo's illness as not work-related.[51] The findings of the company-designated physicians take precedence than that of Alfredo's physician because the former has an extensive knowledge of Alfredo's medical conditions.[52] Further, it is imperative that Alfredo's conditions be assessed with a disability grade provided under the POEA-SEC. Failure to return to work within 120 days from repatriation is not a cure-all formula for maritime compensation cases.[53] Finally, the filing of the labor complaint is premature as Alfredo had not even obtained a medical assessment from his personal physician when he filed the labor complaint.[54] MMMI's physicians also had no opportunity to definitely assess Alfredo's conditions because he was still undergoing treatment.[55]

Ruling of the Court

Under Section 20 (A) of the POEA-SEC, an employer shall be liable for a seafarer's illness or injury when it is proven

---

[48] *Id.* at 58-92.

[49] *Id.* at 68-69.

[50] *Id.* at 69.

[51] *Id.* at 76.

[52] *Id.* at 69-71.

[53] *Id.* at 71-73.

[54] *Id.* at 77.

[55] *Id.* at 78.

that: (1) the injury or illness is work-related; and (2) the work-related injury or illness existed during the term of the seafarer's employment contract. The POEA-SEC defines a work-related illness as any sickness resulting from an occupational disease under the non-exhaustive list in Section 32-A. In this case, Alfredo suffered from cardiovascular events, particularly, a heart attack, which is a listed occupational illness. For said illness to be compensable, Section 32-A[56] provides for conditions that need to be satisfied in order to show that a seafarer suffered disabilities occasioned by a disease contracted on account of or aggravated by working conditions.

We find that Alfredo's coronary arterial disease is work-related and compensable. From the facts, Alfredo has been working for MMMI for five years. He was rehired and subjected to a PEME, where he was declared fit to work. The medical history in his PEME shows that he has a pre-existing coronary hypertension among other illnesses, which was cleared by the company-designated physicians. Having been cleared and declared fit to work, Alfredo was deployed for his three-month contract, which was later extended for another six months. It was on the seventh month of the contract and while on board the vessel, when Alfredo experienced chest pains and dizziness. The following day, he again experienced chest pains causing him to be admitted to a hospital in Africa. He was confirmed to have suffered from a myocardial infarction (heart attack) and underwent bypass surgery. The foregoing are symptoms for coronary arterial disease, which was even confirmed by the physicians in Africa. Considering that the symptoms of the disease manifested onboard the vessel, it logically follows

---

[56] Section 32-A. OCCUPATIONAL DISEASES.

For an occupational disease and the resulting disability or death to be compensable, all of the following conditions must be satisfied:

(1) The seafarer's work must involve the risks described herein;
(2) The disease was contracted as a result of the seafarer's exposure to the described risks;
(3) The disease was contracted within a period of exposure and under such other factors necessary to contract it;
(4) There was no notorious negligence on the part of the seafarer.

that Alfredo's working conditions contributed to or aggravated his illness. Further, the foregoing falls squarely among the conditions provided in Item 11 of Section 32-A to establish work relation and compensability. The pertinent portions of said provision are emphasized as follows:

x x x x x x x x x

11. Cardio-vascular events — to include heart attack, chest pain (angina), heart failure or sudden death. **Any** of the following conditions must be met:

> **a. If the heart disease was known to have been present during employment, there must be proof that an acute exacerbation was clearly precipitated by an unusual strain by reasons of the nature of his work**
>
> **b. the strain of work that brings about an acute attack must be sufficient severity and must be followed within 24 hours by the clinical signs of a cardiac insult to constitute causal relationship**
>
> **c. if a person who was apparently asymptomatic before being subjected so strain at work showed signs and symptoms of cardiac injury during the performance of his work and such symptoms and signs persisted, it is reasonable to claim a causal relationship**
>
> d. if a person is known hypertensive or diabetic, he should show compliance with prescribed maintenance medication and doctor – recommended lifestyle changes. The employer has provided a workplace conducive for such compliance in accordance with Section 1(A), paragraph 5.
>
> e. in a patient not known to have hypertension or diabetes, as indicated on his last PEME (Emphasis supplied)

It is undisputed that the highlighted conditions above have been met because Alfredo was immediately brought by the employer to a hospital in Africa, where he underwent bypass surgery.

We are unconvinced by MMMI's claim that Alfredo's illness is not work-related. The company anchors its position on the "not work related" assessment of the company-designated

physician and the fact that Alfredo suffers from a pre-existing coronary hypertension. While Alfredo has a pre-existing illness, such does not prove that his working condition did not aggravate the illness. It is settled that when it is shown that the seafarer's work may have contributed to the establishment or, **at the very least, aggravation** of any pre-existing disease, the condition/ illness suffered by the seafarer shall be compensable.[57] Here, Alfredo's tasks as Messman required physical labor. He explained that he performed a wide variety of responsibilities from cleaning in the vessel to lifting heavy loads as a porter. His work definitely produced stress and strain normally resulting in the wear and tear of the body.[58] As his coronary hypertension was declared by the company-designated physicians as "cleared"[59] in the PEME, it is highly probable that the strain of Alfredo's work aggravated his pre-existing condition that caused his heart attack episodes on board the vessel. We have held that "only reasonable proof of work-connection and not direct causal relation is required to establish compensability."[60] Aside from the fact that Alfredo's condition is listed as an occupational disease, the undisputed fact that his pre-existing condition is controlled prior to deployment, but he later suffered episodes of heart attack on board the vessel, reasonably establish the work-relatedness of his illness.

Moreover, We cannot uphold the "not work related assessment" issued by the company-designated physician because it is not a final assessment. A final, conclusive and definite assessment must clearly state whether the seafarer is fit to work or the exact disability rating, or whether such illness is work-related, and without any further condition or treatment.[61] It

---

[57] *Manansala v. Marlow Navigation Phils., Inc.*, 817 Phil. 84 (2017).

[58] *Magsaysay Mitsui OSK Marine, Inc., et al. vs. Bengson*, 745 Phil. 313 (2014).

[59] CA *rollo*, p. 94.

[60] *De Leon v. Maunlad Trans, Inc.*, 805 Phil. 531 (2017); *Dohle-Philman Manning Agency, Inc. v. Heirs of Gazzingan*, 760 Phil. 861 (2015).

[61] *Jebsens Maritime, Inc. v. Mirasol*, G.R. No. 213874, June 19, 2019.

should no longer require any further action on the part of the company-designated physician and it is issued by the company-designated physician after he or she has exhausted all possible treatment options within the periods mandated by law.[62] We cannot consider as valid and final an assessment merely stating that the illness of a seafarer is not work-related. Even with said assessment, the company-designated physician is bound to timely issue a fit to work assessment or disability grading.

Here, the not work-related assessment[63] dated November 19, 2012 for Alfredo's heart disease states that the seafarer was to consult a cardiologist for clearance after one month.[64] However, Alfredo was repeatedly seen by the company-designated physician extending for another four months and beyond 120 days from repatriation, where his conditions were consistently diagnosed as not-work related with prognosis of "good."[65] As there were no findings in relation to Alfredo's fitness to work or his disability, he was left guessing the status of his health. As discussed, the prognosis of the company-designated physician consistently states "good." Yet, it is peculiar that the medical treatment will extend beyond 120 days. The assessment of the company-designated physician on his conditions remained vague and Alfredo was left with no other recourse but to file the labor complaint. Belatedly seeking the medical opinion of his personal physician is no issue, as there was no definitive and final assessment from the company-designated physician to contest. To that end, We emphasize the importance of compliance by the company and the company-designated physician in issuing a final and definitive assessment within the 120/240 day mandated periods. For only with said assessment can the seafarer then seek the opinion of his or her personal physician. The periods are mandatory to prevent the seafarer from endlessly waiting for a declaration of fitness to work or disability grading from

---

[62] *Id.*

[63] CA *rollo*, p. 99.

[64] *Id.*

[65] *Id.* at 100-104.

the company and the company-designated physician. Should the company-designated physician fail to give the proper medical assessment and the seafarer's medical condition remains unresolved, the seafarer shall be deemed totally and permanently disabled,[66] as in this case. We reiterate the rules when a seafarer claims for total and permanent disability benefits, *viz.*:

1. The company-designated physician must issue a final medical assessment on the seafarer's disability grading within a period of 120 days from the time the seafarer reported to him;

2. **If the company-designated physician fails to give his assessment within the period of 120 days, without any justifiable reason, then the seafarer's disability becomes permanent and total;**

3. If the company-designated physician fails to give his assessment within the period of 120 days with a sufficient justification (e.g., seafarer required further medical treatment or seafarer was uncooperative), then the period of diagnosis and treatment shall be extended to 240 days. The employer has the burden to prove that the company-designated physician has sufficient justification to extend the period; and

4. If the company-designated physician still fails to give his assessment within the extended period of 240 days, then the seafarer's disability becomes permanent and total, regardless of any justification.[67] (Emphasis supplied)

Anent the issue on jurisdiction, We agree that the NLRC had jurisdiction over the case because the parties have waived proceeding before the panel of voluntary arbitrators. In any case, the provisions of the CBA[68] did not provide for any grievance machinery anent disability claims. We cannot agree with the CA's finding that the CBA is inexistent because the parties did not even raise this as an issue. In fact, MMMI initially argued on the issue of jurisdiction pursuant to the CBA.

---

[66] *Elburg Shipmanagement Phils., Inc. v. Quoigue*, 765 Phil. 341 (2015).

[67] *Id.* at 362-363.

[68] CA *rollo*, pp. 126-170.

Considering that the CBA remains undisputed, its provisions shall be applicable as the case may be. Relatedly, We award permanent and total disability benefits equivalent to 100% disability grading pursuant to the CBA.[69] Section 21 of the CBA states that employees with 50%-100% degree of disability are entitled to payment of US$156,816.00 for AB (Able Seaman) or with rankings below AB, and US$235,224.00 for Officers and those with ranking above AB.[70] As Alfredo is a messman, he is entitled to payment of US$156,816.00 as his disability benefits. He is likewise entitled to sick pay, if the same had not been paid. We also award attorney's fees at 10% of the monetary award for being forced to litigate his interests.[71]

WHEREFORE, the petition is **GRANTED**. The Decision dated March 31, 2016 of the Court of Appeals in CA-G.R. SP No. 135892 is **REVERSED** and **SET ASIDE**. Respondents Magsaysay Mol Marine, Inc., Mol Ship Management Co., Ltd., and Francisco D. Menor are jointly and severally **ORDERED** to pay petitioner Alfredo Ani Corcoro, Jr. the following:

1) Permanent and total disability benefits amounting to US$156,816.00;
2) Sickness allowance or sick pay, if the same has not been paid;
3) 10% of the monetary award as attorney's fees.

SO ORDERED.

Leonen (Chairperson), Gesmundo, Zalameda, and *Gaerlan, JJ.*, concur.

---

[69] *Id.* at 136.

[70] *Id.*

[71] Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

x x x x x x x x x

(2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest

x x x x x x x x x.

SECOND DIVISION

[G.R. No. 231765. August 24, 2020]

PO1 CARLO B. DELOS SANTOS,* *petitioner, vs.* **PEOPLE OF THE PHILIPPINES and FLORANTON V. ONTOG,** *respondents.*

SYLLABUS

1. **REMEDIAL LAW; LIBERAL APPLICATION OF THE LAW; THE COURT WILL NOT PUT PREMIUM ON TECHNICALITIES (WRONG MODE OF APPEAL AVAILED IN CASE AT BAR) ESPECIALLY WHEN THE LIBERTY OF A PERSON IS AT STAKE.—** PO1 Delos Santos availed himself of the wrong mode of appeal. Section 3(e) of Rule 122 of the Rules of Court, in relation to Section 13(c) of Rule 124 of the same Rule, provides that appeal to the Supreme Court in cases where the CA imposes *reclusion perpetua* shall be by notice of appeal filed with the CA. However, the Court will not put premium on technicalities especially when the liberty of a person is at stake. After all, rules of procedure are mere tools designed to expedite the decision or resolution of cases and other matters pending in court and a strict and rigid application of rules that would result in technicalities that tend to frustrate rather than promote substantial justice must be avoided.

2. **CRIMINAL LAW; CONSPIRACY; MERE KNOWLEDGE, ACQUIESCENCE, OR APPROVAL OF THE ACT, WITHOUT COOPERATION OR AGREEMENT TO COOPERATE, IS NOT ENOUGH TO CONSTITUTE CONSPIRACY.—** Conspiracy is present when there is unity in purpose and intention in the commission of a crime; it does not require a previous plan or agreement to commit assault as it is sufficient that at the time of such aggression, all the accused manifested by their acts a common intent or desire to attack. It does not need to be proven by direct evidence and may be inferred from the conduct before, during, and after the commission of the crime indicative of a joint purpose, concerted action, and

[*] Referred to as "delos Santos" in some parts of the *rollo*.

concurrence of sentiments as in conspiracy. In the instant case, the purported participation of PO1 Delos Santos in the alleged conspiracy to commit murder against the victim was his act of preventing Oliva from reporting the shooting incident to the police; the lower courts appreciated it as an indication that he had a common purpose with his co-accused against the victim, Pio. We do not agree. Mere knowledge, acquiescence, or approval of the act, without cooperation or agreement to cooperate, is not enough to constitute one a party to a conspiracy. There must be intentional participation in the transaction with a view to the furtherance of the common design and purpose. The shooting incident transpired during a heated argument in a drinking spree. There was no showing that PO1 Delos Santos actively participated in the furtherance of the common design or purpose since the shooting transpired and was consummated even without his cooperation or assistance.

3. **ID.; ID.; MERE PRESENCE AT THE SCENE OF THE CRIME AT THE TIME OF ITS COMMISSION IS NOT, BY ITSELF, SUFFICIENT TO ESTABLISH CONSPIRACY IN THE ABSENCE OF EVIDENCE OF ACTUAL COOPERATION.—** [M]ere presence at the scene of the crime at the time of its commission is not, by itself, sufficient to establish conspiracy in the absence of evidence of actual cooperation rather than mere cognizance or approval of an illegal act is required. Although direct proof is not essential to establish conspiracy, there must be positive and conclusive evidence which must satisfy the same degree of proof necessary to establish the crime to support a finding of the presence of a criminal conspiracy. Even if the finding as regards the presence of PO1 Delos Santos near the scene where the late Pio was shot by Galos were accurate, his mere presence near the scene of the crime does not of itself constitute sufficient basis for concluding that he was in conspiracy with Galos who was the actual perpetrator of the crime.

APPEARANCES OF COUNSEL

A.M. Alberto Law Office for petitioner.
Office of the Solicitor General for public respondent.
Felimon C. Abelita III for private respondent.

DECISION

INTING, *J.*:

Before the Court is a Petition for Review[1] on *Certiorari* filed under Rule 45 of the Rules of Court assailing the Decision[2] dated November 2, 2016 and the Resolution[3] dated May 3, 2017 of the Court of Appeals (CA) in CA-G.R. CR-HC No. 06947 which affirmed with modification the Decision dated March 18, 2014 of Branch 224, Regional Trial Court (RTC), Quezon City in Criminal Case No. Q-08-154512 that found Police Officer I Carlo B. Delos Santos (PO1 Delos Santos), among others, guilty beyond reasonable doubt of the crime of Murder.

The Antecedents

An Information for Murder was filed against PO1 Delos Santos, Salvador C. Galos (Galos), Danilo A. Arevalo (Arevalo), *Barangay* Captain Erlinda Arevalo (Brgy. Capt. Arevalo), Ronaldo "*Bahotog*" Almoete (Almoete), and three John Does as follows:

"That on or about March 7, 2007 at 7:35 o'clock in the evening thereof at Brgy. Baybay Dagat, Municipality of San Fernando, Province of Masbate, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, armed with guns, with intent to kill, evident premeditation, treachery, with superior strength and taking advantage of public position, conspiring, confederating and mutually helping one another, did then and there willfully, unlawfully and feloniously attack, assault and shoot one PIO V. ONTOG, JR., hitting him on different parts of his body which caused his death.

CONTRARY TO LAW."[4]

---

[1] *Rollo*, pp. 9-37.

[2] *Id.* at 39-84; penned by Associate Justice Celia C. Librea-Leagogo with Associate Justice Amy C. Lazaro-Javier (now a member of the Court) and Melchor Q.C. Sadang, concurring.

[3] *Id.* at 86-87; penned by Associate Justice Celia C. Librea-Leagogo with Associate Justice Amy C. Lazaro-Javier (now a member of the Court) and Maria Filomena D. Singh, concurring.

[4] *Id.* at 41.

Upon arraignment, PO1 Delos Santos pleaded not guilty to the crime as charged.[5] The venue of the trial was then transferred from Branch 50, RTC, San Jacinto, Masbate to the RTC of Quezon City.

The facts of the case, as found by the CA, are as follows:

On March 7, 2009, at around 7:35 p.m., PO1 Ronald B. Medalla (PO1 Medalla), Pio V. Ontog, Jr. *alias* "Mata" (Pio), and Joseph Oliva (Oliva), a *barangay tanod*, went to the house of Brgy. Capt. Arevalo at *Sitio* Bacolod, *Baybay Dagat*, San Fernando, Masbate to talk about *Kagawad* Rustom Barroga (Kgd. Barroga). Upon approaching the house of Brgy. Capt. Arevalo, they saw accused Galos and Almoete having a drinking spree with Brgy. Capt. Arevalo and the latter's husband, Danilo Arevalo (Danilo).[6]

PO1 Medalla and Danilo were having a conversation when they heard Galos shout, "*bakit sino ka ba?*" Galos then pulled his .45 caliber gun and hit PO1 Medalla on his upper left lip with the butt of the gun. Pio tried to pacify the situation and uttered, "*tama na yan, maliit na bagay lang yan*." PO1 Medalla tried to get a hold of Galos' gun, but Almoete pulled him back. At that point Galos poked his gun at PO1 Medalla, then aimed his gun at Pio, and fired it hitting the latter above his abdomen. Then, more gunshots were fired. Oliva saw Galos continuously fire his gun at Pio, who tried to hide behind a motorcycle. PO1 Medalla then saw Pio holding his chest. They heard Brgy. Capt. Arevalo shout, "*sige, barilin nyo na si 'Mata' (Pio) dahil matapang yan*."[7]

Oliva ran away towards the police station to report the incident, but PO1 Delos Santos and Rodolfo Pelones (Pelones), who were both in civilian clothing, prevented him. PO1 Delos Santos poked his M-14 rifle at Oliva and brought him inside a warehouse (*camalig*), owned by one Noli Arevalo (Noli) *alias* "Bullet",

---

[5] *Id*.

[6] *Id*. at 42.

[7] *Id*. at 42-43, 44.

brother of Danilo. Pelones, who was also armed with an M-16 rifle, stayed on guard nearby.[8]

PO1 Delos Santos allowed Oliva to leave the warehouse when two uniformed policemen passed by on their way to the crime scene. Oliva then proceeded to the police station. Since the gate was closed, he went instead to the adjacent house of Tony Uy and reported the incident to Marvie Bravo (Bravo), who was running for mayor against Mayor Helen Bunan (Mayor Bunan), Pio, Kgd. Barroga, and Oliva are leaders/supporters of Bravo, while the Arevalos were the leaders/supporters of Mayor Bunan.[9]

Afterwards, Oliva returned to the crime scene where he saw PO1 Delos Santos with Pelones. He also saw the live-in partner of Pio, among others. He then assisted in the recovery of the body of Pio. They brought Pio to the hospital where Dr. Roger Lim declared Pio dead on arrival. Meanwhile, PO1 Medalla went to the police station to seek assistance and had the incident entered in the police blotter. He then proceeded to the hospital.[10]

According to the prosecution's witnesses, the incident was politically motivated. They positively identified PO1 Delos Santos, who was known as Mayor Bunan's security escort. PO1 Medalla admitted that he wanted to fix things between Kgd. Barroga and Danilo as the latter prohibited Bravo's leaders/supporters from using the public road in front of the Arevalos' house.[11]

On the other hand, the version of the defense, as found by the CA, is as follows:

On the fateful date, Galos was in Danilo's house to collect the payment for the fish he sold to the latter. There, he saw PO1 Medalla, who was with Pio, confront Danilo of the

---

[8] *Id*. at 43.

[9] *Id*. at 43-44.

[10] *Id*. at 43, 45.

[11] *Id*. at 44-45.

prohibition the latter imposed against Bravo's supporters. Thereafter, Pio tried to pacify the conflict. But PO1 Medalla was in a fury. He poked a gun at Danilo and then at Galos. At that instance, Galo grabbed the barrel of the gun, but PO1 Medalla pulled it causing him to almost fall to the ground face down. When PO1 Medalla stood up, Galos saw that the former's lips were already bleeding. PO1 Medalla then threatened to shoot Galos, but Pio tried to break the quarrel. Thereafter, Galos wrestled for the gun, pulled it upwards, and struggled for its possession from PO1 Medalla. In the process, the gun accidentally fired and hit Pio. Pio then ran away leaving PO1 Medalla, who appeared stunned and still holding the gun. Danilo shouted at Galos to run away. Thus, Galos pushed aside PO1 Medalla, escaped towards Danilo's house, and heard and felt gunshots aimed towards the concrete behind him. Galos hid inside the house with Elvisa Consegra.[12]

A few minutes later, Galos saw PO3[13] Roger Alindogan (PO3 Alindogan), who was armed with an armalite. Thereafter, SPO4 Centura arrived. Galos approached SPO4 Centura and the latter told Galos that PO1 Medalla reported him (Galos) as the one who shot Pio. Galos volunteered to go to the police station and there, he saw PO1 Medalla writing in the blotter book.[14]

For his part, PO1 Delos Santos admitted that he was at the crime scene with his firearm slinged on his back. However he denied preventing Oliva from reporting the incident to the police station. He testified that at that time, he was in the police station with five other police officers on duty when they heard a certain Gloria Cantojos shout for help. As a result, he and PO3 Alindogan readied their long issued firearms. The station chief then dispatched a team composed of six police officers to respond to the crime scene.[15]

---

[12] *Id*. at 54-55.

[13] Referred to as "Police Officer I" in some parts of the *rollo*.

[14] *Rollo*, p. 55.

[15] *Id*. at 51.

On the way to the crime scene, PO3 Alindogan and PO3 Recto made a stop to meet someone in a white t-shirt who PO1 Delos Santos later found out to be PO1 Medalla, a cousin of PO3 Alindogan. They then hurried to pursue Galos. Upon arriving at the crime scene, they cordoned the area; PO3 Alindogan and PO3 Recto, with the assistance of *barangay* officials, went inside the house to recover the injured Pio.[16]

The other police officers instructed PO1 Delos Santos to secure a vehicle to transport Pio to the hospital. After which, they ordered PO1 Delos Santos to stay at the crime scene and await for the police investigator to conduct the investigation. PO1 Delos Santos recalled that at that time he saw Galos approach SPO4 Centura and heard SPO4 Centura tell Galos that they have been waiting for him for a while since PO1 Medalla pointed to Galos as the suspect. He, likewise, saw Galos and SPO4 Centura leave the area together.[17]

Ruling of the RTC

In the Decision[18] dated March 18, 2014, the RTC found PO1 Delos Santos, and his co-accused, guilty beyond reasonable doubt of the crime of Murder. The dispositive portion of the Decision reads:

> WHEREFORE, premises considered, the accused, SALVADOR GALOS and PO1 CARLO DELOS SANTOS, are hereby found GUILTY beyond reasonable doubt of the crime of MURDER, defined and penalized under Article 248 of the Revised Penal Code, as amended, and they are hereby sentenced to each suffer the penalty of *RECLUSION PERPETUA* and to pay the heirs of PIO V. ONTOG, JR., the amounts of ₱50,000.00 as indemnity for his death; ₱25,000.00 as temperate damages; ₱50,000.00 exemplary damages; ₱50,000.00 as moral damages; and ₱20,000.00 as attorney's fees; and the costs.
>
> SO ORDERED.[19]

---

[16] *Id*. at 52.

[17] *Id*. at 52-53.

[18] *Id*. at 39-40; as culled from the CA Decision.

[19] *Id*.

Aggrieved, PO1 Delos Santos appealed his conviction. On the other hand, the case against Galos was dismissed on account of his untimely demise.

PO1 Delos Santos argued that the prosecution failed to prove the presence of the qualifying circumstances of treachery and evident premeditation considering that the testimonies of Oliva and PO1 Medalla showed that there was a confrontation prior to the shooting incident. He further raised that conspiracy was not established; and that the aggravating circumstances of abuse of superior strength, aid of armed men, and abuse of public position were not proved considering that it was only Galos who attacked Pio with a gun.

Ruling of the CA

In the Decision[20] dated November 2, 2016, the CA affirmed with modification the RTC's Decision by increasing the award of damages and imposing legal interest. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the appeal is DENIED. The Decision dated 18 March 2014 of the Regional Trial Court of Quezon City, Branch 224 in *Crim. Case No. Q-08-154512* finding accused-appellant PO1 Carlo Delos Santos guilty beyond reasonable doubt of the crime of murder under Article 248 of the Revised Penal Code, as amended, and imposing upon him the penalty of *reclusion perpetua* is AFFIRMED with MODIFICATION, in that the amount of civil indemnity, moral damages and exemplary damages are hereby increased to Php75,000.00 each; and temperate damages is also increased to Php50,000.00, plus 6% interest *per annum* on all damages, from the finality of this Decision until fully paid. Costs against accused-appellant PO1 Carlo Delos Santos.

SO ORDERED.[21]

Undeterred, PO1 Delos Santos filed the instant petition.

---

[20] *Id*. at 39-84.

[21] *Id*. at 79-80.

The Issue before the Court

The issue for the Court's resolution is whether the conviction of PO1 Delos Santos for Murder is proper.

In essence, PO1 Delos Santos questions the court *a quo*'s appreciation of conspiracy based on the testimony of a single prosecution witness that he prevented the reporting of a crime. He asserts that the court *a quo*'s findings that he did nothing to prevent the commission of the crime is baseless since a crime had already been committed when prosecution witness Oliva implicated him. He further insinuates that it is a serious and grave error for the CA to affirm his conviction for his "doing nothing to prevent the commission of a crime."

Our Ruling

Preliminarily, as correctly observed by the Office of the Solicitor General, PO1 Delos Santos availed himself of the wrong mode of appeal. Section 3(e) of Rule 122 of the Rules of Court, in relation to Section 13(c) of Rule 124 of the same Rule, provides that appeal to the Supreme Court in cases where the CA imposes *reclusion perpetua* shall be by notice of appeal filed with the CA.

However, the Court will not put premium on technicalities especially when the liberty of a person is at stake. After all, rules of procedure are mere tools designed to expedite the decision or resolution of cases and other matters pending in court and a strict and rigid application of rules that would result in technicalities that tend to frustrate rather than promote substantial justice must be avoided.[22]

The core of the appeal of PO1 Delos Santos focuses on the lower court's appreciation of evidence on the existence of conspiracy. Conspiracy is present when there is unity in purpose and intention in the commission of a crime; it does not require

---

[22] *Hilario v. People*, 574 Phil. 348, 363 (2008), citing *Cusi-Hernandez v. Spouses Diaz*, 390 Phil. 1245, 1252 (2000).

a previous plan or agreement to commit assault as it is sufficient that at the time of such aggression, all the accused manifested by their acts a common intent or desire to attack.[23] It does not need to be proven by direct evidence and may be inferred from the conduct before, during, and after the commission of the crime indicative of a joint purpose, concerted action, and concurrence of sentiments as in conspiracy.[24]

In the instant case, the purported participation of PO1 Delos Santos in the alleged conspiracy to commit murder against the victim was his act of preventing Oliva from reporting the shooting incident to the police; the lower courts appreciated it as an indication that he had a common purpose with his co-accused against the victim, Pio.

We do not agree.

Mere knowledge, acquiescence, or approval of the act, without cooperation or agreement to cooperate, is not enough to constitute one a party to a conspiracy.[25] There must be intentional participation in the transaction with a view to the furtherance of the common design and purpose.[26] The shooting incident transpired during a heated argument in a drinking spree. There was no showing that PO1 Delos Santos actively participated in the furtherance of the common design or purpose since the shooting transpired and was consummated even without his cooperation or assistance.

In the same manner, mere presence at the scene of the crime at the time of its commission is not, by itself, sufficient to establish conspiracy in the absence of evidence of actual cooperation rather than mere cognizance or approval of an illegal act is required.[27] Although direct proof is not essential to establish

---

[23] *People v. Vargas*, G.R. No. 230356, September 18, 2019, citing *People v. Rivera*, 458 Phil. 856, 877-878 (2003).

[24] *People v. Las Piñas, et al.*, 739 Phil. 502, 526 (2014).

[25] *Orodio v. Court of Appeals*, 247-A Phil. 409, 416 (1988).

[26] *Id.*, citing *People v. Izon, et al.*, 104 Phil. 690, 698 (1958).

[27] *Rimando v. People*, 821 Phil. 1086, 1098 (2017), citing *People v. Desoy*,

conspiracy, there must be positive and conclusive evidence which must satisfy the same degree of proof necessary to establish the crime to support a finding of the presence of a criminal conspiracy.[28] Even if the finding as regards the presence of PO1 Delos Santos near the scene where the late Pio was shot by Galos were accurate, his mere presence near the scene of the crime does not of itself constitute sufficient basis for concluding that he was in conspiracy with Galos who was the actual perpetrator of the crime.

WHEREFORE, the Decision dated November 2, 2016 and the Resolution dated May 3, 2017 of the Court of Appeals in CA-G.R. CR-HC No. 06947 finding petitioner Police Officer I Carlo B. Delos Santos guilty beyond reasonable doubt of the crime of Murder is **REVERSED** and **SET ASIDE**. Petitioner Police Officer I Carlo B. Delos Santos is hereby **ACQUITTED** of the crime of Murder committed in conspiracy for failure of the prosecution to prove his guilt beyond reasonable doubt. He is ordered **IMMEDIATELY RELEASED** from detention unless he is otherwise legally confined for another cause.

Let a copy of this Decision be sent to the Director of the Bureau of Corrections, Muntinlupa City, for immediate implementation. The Director of the Bureau of Corrections is **DIRECTED** to **REPORT** the action he has taken to this Court within five (5) days from receipt of this Decision.

Let entry of judgment be made immediately.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, and *Delos Santos, JJ.,* concur.

Baltazar-Padilla, J., on official leave.

---

371 Phil. 362 (1999) and *Abad v. Court of Appeals*, 353 Phil. 247, 253 (1998).

[28] *People v. Vda. de Quijano*, 292-A Phil. 157, 164 (1993).

SECOND DIVISION

[G.R. No. 231796. August 24, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee*, *vs.* **JOHNNY ARELLAGA *y* SABADO,** *accused-appellant.*

SYLLABUS

1. **CRIMINAL LAW; COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002 (RA 9165); ILLEGAL SALE AND ILLEGAL POSSESSION OF DANGEROUS DRUGS; ELEMENTS THAT MUST BE ESTABLISHED FOR SUCCESSFUL PROSECUTION OF BOTH CRIMES, ENUMERATED; IT IS OF UTMOST IMPORTANCE TO SHOW THAT THE INTEGRITY AND THE EVIDENTIARY VALUE OF THE SEIZED DRUGS HAVE BEEN DULY PRESERVED.—** To secure a conviction for illegal sale of dangerous drugs under Section 5, Article II of R.A. No. 9165, the prosecution must establish the following elements: (1) the identity of the buyer and the seller, the object of the sale and its consideration; and (2) the delivery of the thing sold and the payment therefor. What is important is that the sale transaction of drugs actually took place and that the object of the transaction is properly presented as evidence in court and is shown to be same drugs seized from the accused. With regard to the charge for illegal possession of dangerous drugs, the following elements must be established: "(1) the accused was in possession of dangerous drugs; (2) such possession was not authorized by law; and (3) the accused was freely and consciously aware of being in possession of dangerous drugs." In illegal drugs cases, the drugs seized from the accused constitute the *corpus delicti* of the offense. Thus, it is of utmost importance that the integrity and identity of the seized drugs must be clearly shown to have been duly preserved with moral certainty. "This means that on top of the elements of possession or illegal sale, the fact that the substance illegally sold or possessed is, in the first instance, the very substance adduced in court must likewise be established with the same exacting degree of certitude as that required in sustaining a conviction." "The chain of custody rule performs this function as it ensures that unnecessary doubts concerning the identity of the evidence are removed."

2. **ID.; ID.; ID.; CHAIN OF CUSTODY RULE; FAILURE OF THE BUY-BUST TEAM TO ESTABLISH THE PRESENCE OF THE REQUIRED WITNESSES DURING THE INVENTORY AND PHOTOGRAPH TAKING OF THE DRUGS COUPLED WITH THEIR FAILURE TO EXPLAIN SUCH ABSENCE OR TO JUSTIFY THEIR DEVIATION FROM THE RULE LEAD TO THE CONCLUSION THAT THE INTEGRITY AND EVIDENTIARY VALUE OF THE DRUGS HAVE BEEN COMPROMISED; HENCE, THE COURT IS CONSTRAINED TO ACQUIT THE APPELLANT.—** [T]he Court finds that the buy-bust team failed to establish the presence of the three required witnesses at the time of the inventory and photograph taking of the drugs. Neither was it shown that there were justifiable grounds for their absence. x x x The Court has held that the presence of the required number of witnesses at the time of the apprehension and inventory, is mandatory, and that their presence serves an essential purpose. x x x In this case, there was only one witness during the most crucial stage of the buy-bust operation: the apprehension and inventory. This clearly falls short of what is required by Section 21, Article Il of R.A. No. 9165. It bears stressing that the prosecution has the burden of proving compliance with the requirements of Section 21. In case of deviation from or non-compliance with the said requirements, the prosecution must provide a sufficient explanation why Section 21 was not complied with. x x x The IRR of R.A. No. 9165 provides for a saving clause to ensure that not every non-compliance with the procedure for the preservation of the chain of custody will prejudice the prosecution's case against the accused. For the saving clause to apply, however, the following must be present: (1) the existence of justifiable grounds to allow departure from the rule on strict compliance; and (2) the integrity and the evidentiary value of the seized items are properly preserved by the apprehending team. In this case, the prosecution did not explain the absence of the three required witnesses nor did it try to justify the police's deviation from the mandatory procedure outlined in Section 21. Without the three witnesses, there is reasonable doubt on the identity of the seized drugs itself. Without the three witnesses, the Court is unsure whether there had been planting of evidence and/or contamination of the seized drugs. Because of this, the integrity and evidentiary value of the *corpus delicti* had been compromised. Consequently, appellant must be acquitted.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

D E C I S I O N

HERNANDO, *J.*:

Accused-appellant Johnny Arellaga *y* Sabado (appellant) assails the September 30, 2016 Decision[1] of the Court of Appeals (CA) in CA-G.R. CR-HC No. 07604 which affirmed the June 15, 2015 Decision[2] of the Regional Trial Court (RTC) of Manila, Branch 2, in Criminal Case Nos. 13-297289 and 13-297290 finding him guilty beyond reasonable doubt of violation of Sections 5 and 11, Article II of Republic Act (R.A.) No. 9165[3] for illegal sale and possession of dangerous drugs, respectively.

In Criminal Case No. 13-297289, appellant was charged with violation of Section 11, Article II of R.A. No. 9165 allegedly committed as follows:

> That on or about May 23, 2013, in the City of Manila, Philippines, the said accused, not having been authorized by law to possess any dangerous drug, did then and there willfully, unlawfully[,] and knowingly have in his possession and under his custody and control three (3) heat-sealed transparent plastic sachets each containing white crystalline substance commonly known as "shabu" with the following markings and recorded net weights:
>
> "JSA-1"- ZERO POINT ZERO THREE EIGHT (0.038) gram
> "JSA-2"- ZERO POINT ZERO ONE NINE (0.019) gram
> "JSA-3"- ZERO POINT ZERO THREE THREE (0.033) gram

---

[1] CA *rollo*, pp. 108-125; penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Elihu A. Ybañez and Nina G. Antonio-Valenzuela.

[2] Records, pp. 87-94, penned by Presiding Judge Sarah Alma M. Lim.

[3] Comprehensive Dangerous Drugs Act of 2002.

or with a total net weight of ZERO POINT ZERO NINE ZERO (0.090) gram, which after qualitative examination gave positive results to the tests for methamphetamine hydrochloride, a dangerous drug.

Contrary to law.[4]

In Criminal Case No. 13-297290, appellant was charged with violation of Section 5, Article II of R.A. No. 9165 allegedly committed as follows:

That on or about May 23, 2013, in the City of Manila, Philippines, the said accused, not being authorized by law to sell, dispense, deliver, transport, or distribute any dangerous drug, did then and there willfully, unlawfully[,] and knowingly sell or offer for sale to a police officer/ poseur buyer one (1) heat-sealed transparent plastic sachet with markings "JSA" containing ZERO POINT ZERO ONE EIGHT (0.018) gram of white crystalline substance commonly known as "shabu," which after qualitative examination gave positive results to the tests for methamphetamine hydrochloride, a dangerous drug.

Contrary to law.[5]

Appellant pleaded not guilty to both charges during the arraignment.[6]

***Version of the Prosecution*:**

The prosecution presented two witnesses: Police Officer 3 (PO3) Niño Baladjay (PO3 Baladjay) and Police Officer 2 (PO2) Reynold Reyes (PO2 Reyes). Their testimonies are summarized as follows.

On May 23, 2013, at around 4:14 p.m., based on a tip by a confidential informant that appellant was looking for a buyer of *shabu*, PO2 Reyes conducted a buy-bust operation against the appellant where he himself posed as the *poseur* buyer of *shabu*. After PO2 Reyes handed to appellant the ₱500.00 bill marked with his initials, "RR," appellant went to his motorcycle and retrieved a coin purse from its compartment.

---

[4] Records, p. 2.

[5] *Id.* at 3.

[6] *Id.* at 23.

Appellant opened the coin purse and pulled out four heat-sealed transparent sachets containing what appeared to be *shabu*. After inspecting one sachet, PO2 Reyes touched his left ear to signal the rest of the buy-bust team that the sale had been consummated.

PO2 Reyes then introduced himself as a police officer and arrested appellant. He then frisked the appellant and recovered from him the marked money and the coin purse containing three more heat-sealed sachets. PO2 Reyes marked the sachet he bought from appellant with "JSA," while the other three sachets found in appellant's possession were marked as "JSA-1," "JSA-2," and "JSA-3."

PO2 Reyes then took photos of the crime scene and the evidence recovered from appellant. PO2 Reyes also accomplished an Inventory of Property/Seized Evidence.

Thereafter, he turned over the seized evidence together with the Chain of Custody form to PO3 Baladjay upon arrival at the police station.

***Version of the Defense*:**

The defense presented the testimonies of appellant and his stepdaughter, Nica Andrea Cruz (Nica).

Appellant claimed that on May 23, 2013, he and Nica were at the house of his mother-in-law watching television when suddenly, PO2 Reyes and PO3 Baladjay barged in. One of the police officers pointed a firearm at him while PO2 Reyes proceeded to search the second floor of the house. Appellant claimed that due to the unwarranted invasion and search of the house, personal items such as cellular phones, jewelry, and cash were lost and presumably stolen.

The police officers then brought appellant to the police station where the police demanded money in exchange for his release. Appellant claimed that he was repeatedly punched and interrogated about the drugs. The police officers covered his face with a plastic bag causing him to lose consciousness.

After three days, appellant was released and thereafter charged with illegal sale and possession of drugs.

Nica testified that on May 23, 2013, five to six men in civilian clothing entered their house. They pointed a gun at her and appellant and proceeded to search the second floor. Nica only identified PO3 Baladjay. She claimed that the men handcuffed appellant and brought him to the ground floor living room. The men told Nica to keep quiet since she was crying and shouting at the time.

After the men had left, Nica discovered that her grandmother's jewelry and cash were missing. She filed an incident report at the precinct and the barangay. She also visited appellant at the District Anti-Illegal Drugs unit in Ermita, Manila where he was detained. It was there that appellant told her that the police beat him up while his head was covered with a plastic bag. She also claimed that the police asked for money.

***Ruling of the Regional Trial Court*:**

On June 15, 2015, the RTC found appellant guilty beyond reasonable doubt of violation of Sections 5 and 11, Article II of R.A. No. 9165. The RTC was convinced that the prosecution was able to establish, through the testimonies of the police officers, the guilt of appellant beyond reasonable doubt for both charges of illegal sale and possession of *shabu*. The RTC found that the police officers positively identified appellant as the person who received the ₱500.00 marked money in exchange for the heat-sealed sachet of *shabu*.[7] The RTC likewise found that the prosecution had established that during his arrest, appellant was in possession of three additional plastic sachets of *shabu*. The RTC also found an unbroken chain of custody of the seized drugs.

The dispositive portion of the RTC's Decision reads:

WHEREFORE, judgment is hereby rendered as follows, to wit:

In Crim. Case No. 13-297289, finding accused JOHNNY ARELLAGA *y* SABADO, GUILTY beyond reasonable doubt of the crime charged and is hereby sentenced to suffer the indeterminate

---

[7] *Id.* at 92.

penalty of 12 years and 1 day as minimum to 17 years and 4 months as maximum, and to pay a fine of ₱300,000.00 and

In Crim. Case No. 13-297290, finding accused JOHNNY ARELLAGA *y* SABADO, GUILTY beyond reasonable doubt of the crime charged and is hereby sentenced to life imprisonment and to pay a fine of ₱500,000.00.

The specimens are forfeited in favor of the government and the Branch Clerk of Court, accompanied by the Branch Sheriff, is directed to turn over with dispatch and upon receipt the said specimens to the Philippine Drug Enforcement Agency (PDEA) for proper disposal in accordance with the law and rules.

SO ORDERED.[8]

Aggrieved by the RTC's Decision, appellant appealed to the CA.

***Ruling of the Court of Appeals*:**

On September 30, 2016, the CA affirmed the RTC's Decision and held that all the elements of the crimes were present. According to the CA, the RTC was correct in finding PO2 Reyes' testimony sufficient to prove appellant's guilt beyond reasonable doubt, especially since the chain of custody was unbroken.[9] Further, the CA held that even if the requirements of Section 21, Article II of R.A. No. 9165 were not strictly complied with, the integrity and evidentiary value of the seized items were properly preserved.[10]

Dissatisfied with the CA's Decision, appellant filed a Notice of Appeal.[11]

Issue

The issue in this case is whether appellant is guilty of illegal sale and possession of *shabu*.

---

[8] *Id.* at 94.

[9] CA *rollo*, p. 119.

[10] *Id.*

[11] *Id.* at 130.

Appellant argues that the RTC erroneously convicted him since the arresting officers failed to strictly comply with the requirements of Section 21, Article II of R.A. No. 9165. He claims that the prosecution failed to sufficiently establish the integrity and evidentiary value of the seized drugs through an unbroken chain of custody. Lastly, appellant asserts that the RTC erred in not appreciating his defense of denial and extortion.[12]

Our Ruling

The appeal is meritorious. Accordingly, the appellant is acquitted.

To secure a conviction for illegal sale of dangerous drugs under Section 5, Article II of R.A. No. 9165, the prosecution must establish the following elements: (1) the identity of the buyer and the seller, the object of the sale and its consideration; and (2) the delivery of the thing sold and the payment therefor. What is important is that the sale transaction of drugs actually took place and that the object of the transaction is properly presented as evidence in court and is shown to be same drugs seized from the accused.[13]

With regard to the charge for illegal possession of dangerous drugs, the following elements must be established: "(1) the accused was in possession of dangerous drugs; (2) such possession was not authorized by law; and (3) the accused was freely and consciously aware of being in possession of dangerous drugs."[14]

In illegal drugs cases, the drugs seized from the accused constitute the *corpus delicti* of the offense. Thus, it is of utmost importance that the integrity and identity of the seized drugs must be clearly shown to have been duly preserved with moral certainty. "This means that on top of the elements of possession or illegal sale, the fact that the substance illegally sold or possessed is, in the first instance, the very substance adduced

---

[12] Brief for Accused-Appellant, *id.* at 20-41.

[13] *People v. Ismael*, 806 Phil. 21, 29 (2017).

[14] *Reyes v. Court of Appeals*, 686 Phil. 137, 148 (2012).

in court must likewise be established with the same exacting degree of certitude as that required in sustaining a conviction."[15] "The chain of custody rule performs this function as it ensures that unnecessary doubts concerning the identity of the evidence are removed."[16]

After a careful review of the records of the case, we find that the prosecution failed to clearly establish that the requirements of Section 21, Article II of R.A. No. 9165 have been complied with, particularly regarding the three-witness rule.

R.A. No. 9165, prior to its amendment by R.A. No. 10640[17] on July 15, 2014, is the law applicable as the alleged crimes in this case were committed on May 23, 2013. The original version of Section 21 requires the presence of three witnesses during the inventory and photograph taking: (1) media representative; (2) representative from the Department of Justice (DOJ); and (3) any elected public official.

Section 21 pertinently states:

> Section 21. Custody and Disposition of Confiscated, Seized, and/or Surrendered Dangerous Drugs, Plant Sources of Dangerous Drugs, Controlled Precursors and Essential Chemicals, Instruments/Paraphernalia and/or Laboratory Equipment. — The PDEA shall take charge and have custody of all dangerous drugs, plant sources of dangerous drugs, controlled precursors and essential chemicals, as well as instruments/paraphernalia and/or laboratory equipment so confiscated, seized and/or surrendered, for proper disposition in the following manner:
>
> (1) The apprehending team having initial custody and control of the drugs shall, immediately after seizure and confiscation, **physically**

---

[15] *People v. Adrid*, 705 Phil. 654, 670 (2013).

[16] *Fajardo v. People*, 691 Phil. 752, 758-759 (2012).

[17] AN ACT TO FURTHER STRENGTHEN THE ANTI-DRUG CAMPAIGN OF THE GOVERNMENT, AMENDING FOR THE PURPOSE SECTION 21 OF REPUBLIC ACT NO. 9165, OTHERWISE KNOWN AS THE "COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002."

inventory and photograph the same in the presence of the accused or the person/s from whom such items were confiscated and/or seized, or his/her representative or counsel, a representative from the media and the Department of Justice (DOJ), and any elected public official who shall be required to sign the copies of the inventory and be given a copy thereof; (Emphasis supplied)

The Implementing Rules and Regulations (IRR) further elaborate on the proper procedure to be followed in Section 21(a), Article II of R.A. No. 9165. It provides:

(a) The apprehending office/team having initial custody and control of the drugs shall, immediately after seizure and confiscation, physically inventory and photograph the same in the presence of the accused or the person/s from whom such items were confiscated and/or seized, or his/her representative or counsel, a representative from the media and the Department of Justice (DOJ), and any elected public official who shall be required to sign the copies of the inventory and be given a copy thereof: Provided, that the physical inventory and photograph shall be conducted at the place where the search warrant is served; or at the nearest police station or at the nearest office of the apprehending officer/team, whichever is practicable, in case of warrantless seizures; Provided, further that non-compliance with these requirements under justifiable grounds, as long as the integrity and the evidentiary value of the seized items are properly preserved by the apprehending officer/team, shall not render void and invalid such seizures of and custody over said items;

In this case, the Court finds that the buy-bust team failed to establish the presence of the three required witnesses at the time of the inventory and photograph taking of the drugs. Neither was it shown that there were justifiable grounds for their absence. As PO3 Baladjay himself testified:

[ATTY. GONZALES]: Likewise, you have no personal knowledge as to the ultimate source of the evidences which were submitted to you during the investigation, am I correct?
[PO3 BALADJAY]: Yes, ma'am.

Q: In fact, you could not remember how many items, at this time, am I correct?
A: Yes, ma'am.

Q: Mr. Witness, you earlier said that the inventory was merely submitted to you, correct?
A: Yes, ma'am.

Q: It was not done in your office?
A: Yes, ma'am.

Q: And when it was done, you were not present?
A: Yes, ma'am.

Q: And you were not the one who wrote the entries in that receipt form?
A: Yes, ma'am.

Q: This document was merely submitted to you together with the evidences?
A: Yes, ma'am.

Q: Mr. Witness, likewise, when you were conducting the investigation of this accused, was there any presence of media man at that particular time?
A: None, ma'am.

Q: Likewise, was there any presence of D.O.J. representative?
A: None, ma'am.

Q: How about counsel for the accused, was he assisted by counsel when he was being investigated?
A: None, ma'am.[18]

The Court has held that the presence of the required number of witnesses at the time of the apprehension and inventory, is mandatory, and that their presence serves an essential purpose.[19] In the present case, the Inventory of Property/Seized [Evidence][20] shows that there was only one (1) witness, a certain Rene Crisostomo of the MPD Press Corp.

In *People v. Tomawis*,[21] the Court held:

---

[18] TSN, October 2, 2013, p. 9.

[19] *People v. Dela Cruz*, G.R. No. 234151, December 5, 2018.

[20] Records, p. 12.

[21] G.R. No. 228890, April 18, 2018.

The presence of the three witnesses must be secured not only during the inventory but more importantly at the time of the warrantless arrest. It is at this point in which the presence of the three witnesses is most needed, as it is their presence at the time of seizure and confiscation that would belie any doubt as to the source, identity, and integrity of the seized drug. If the buy-bust operation is legitimately conducted, the presence of the insulating witnesses would also controvert the usual defense of frame-up as the witnesses would be able to testify that the buy-bust operation and inventory of the seized drugs were done in their presence in accordance with Section 21 of RA 9165.

The practice of police operatives of not bringing to the intended place of arrest the three witnesses, when they could easily do so — and "calling them in" to the place of inventory to witness the inventory and photographing of the drugs only after the buy-bust operation has already been finished — does not achieve the purpose of the law in having these witnesses prevent or insulate against the planting of drugs.

To restate, the presence of the three witnesses at the time of seizure and confiscation of the drugs must be secured and complied with at the time of the warrantless arrest; such that they are required to be at or near the intended place of the arrest so that they can be ready to witness the inventory and photographing of the seized and confiscated drugs "immediately after seizure and confiscation."

In this case, there was only one witness during the most crucial stage of the buy-bust operation: the apprehension and inventory. This clearly falls short of what is required by Section 21, Article II of R.A. No. 9165.

It bears stressing that the prosecution has the burden of proving compliance with the requirements of Section 21. In case of deviation from or non-compliance with the said requirements, the prosecution must provide a sufficient explanation why Section 21 was not complied with. The Court has held in *People v. Lim*[22] that the following are justifiable reasons for not securing three witnesses during the inventory and photograph taking:

---

[22] G.R. No. 231989, September 4, 2018.

(1) their attendance was impossible because the place of arrest was a remote area; (2) their safety during the inventory and photograph of the seized drugs was threatened by an immediate retaliatory action of the accused or any person/s acting for and in his/her behalf; (3) the elected official themselves were involved in the punishable acts sought to be apprehended; (4) earnest efforts to secure the presence of a DOJ or media representative and an elected public official within the period required under Article 125 of the Revised Penal Code prove futile through no fault of the arresting officers, who face the threat of being charged with arbitrary detention; or (5) time constraints and urgency of the anti-drug operations, which often rely on tips of confidential assets, prevented the law enforcers from obtaining the presence of the required witnesses even before the offenders could escape.

The IRR of R.A. No. 9165 provides for a saving clause to ensure that not every non-compliance with the procedure for the preservation of the chain of custody will prejudice the prosecution's case against the accused. For the saving clause to apply, however, the following must be present: (1) the existence of justifiable grounds to allow departure from the rule on strict compliance; and (2) the integrity and the evidentiary value of the seized items are properly preserved by the apprehending team.

In this case, the prosecution did not explain the absence of the three required witnesses nor did it try to justify the police's deviation from the mandatory procedure outlined in Section 21. Without the three witnesses, there is reasonable doubt on the identity of the seized drugs itself. Without the three witnesses, the Court is unsure whether there had been planting of evidence and/or contamination of the seized drugs. Because of this, the integrity and evidentiary value of the *corpus delicti* had been compromised. Consequently, appellant must be acquitted.

All told, the Court finds that the prosecution failed to: (1) overcome appellant's presumption of innocence; (2) prove that the requirements of securing three witnesses in Section 21, Article II of R.A. No. 9165 had been complied with; (3) offer any explanation for non-compliance with Section 21, Article II of R.A. No. 9165; and (4) prove the *corpus delicti* of the

crime with moral certainty. For these reasons, the Court is constrained to acquit the appellant.

WHEREFORE, the appeal is **GRANTED**. The assailed Decision of the Court of Appeals in CA-G.R. CR-HC No. 07604 dated September 30, 2016 is **REVERSED and SET ASIDE**. Appellant Johnny Arellaga *y* Sabado is hereby **ACQUITTED** for failure of the prosecution to prove his guilt beyond reasonable doubt. He is ordered immediately **RELEASED** from detention, unless he is confined for any other lawful cause.

Let a copy of this Decision be furnished to the Director of the Bureau of Corrections, Muntinlupa City, for immediate implementation. The Director of the Bureau of Corrections is directed to report to this Court the action he has taken within five days from receipt of this Decision. A copy shall also be furnished to the Director General of the Philippine National Police and the Department of Justice for their information and guidance.

Let entry of judgment be made immediately.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

SECOND DIVISION

[G.R. No. 240729. August 24, 2020]

COMMISSIONER OF INTERNAL REVENUE, *petitioner*, *vs*. **T SHUTTLE SERVICES, INC.,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; RULE 45 PETITION; FACTUAL QUESTIONS ARE NOT THE PROPER SUBJECT OF AN APPEAL BY *CERTIORARI*, AS IT IS NOT FOR THE COURT TO ONCE AGAIN ANALYZE OR WEIGH EVIDENCE THAT HAS ALREADY BEEN CONSIDERED IN THE LOWER COURTS.—** At the outset, it bears stressing that a review of appeals filed before this Court is "not a matter of right, but of sound judicial discretion." Further, a petition under Rule 45 of the Rules of Court should raise only questions of law which must be distinctly set forth. A question is one of law when the appellate court can determine the issue raised without reviewing or evaluating the evidence; otherwise, it is a question of fact. Factual questions are not the proper subject of an appeal by *certiorari*. It is not for the Court to once again analyze or weigh evidence that has already been considered in the lower courts.

2. **ID.; ID.; ID.; ID.; THE FINDINGS OF THE COURT OF TAX APPEALS CAN ONLY BE DISTURBED ON APPEAL IF THEY ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE, OR THERE IS A SHOWING OF GROSS ERROR OR ABUSE ON THE PART THEREOF; THE QUESTION OF WHETHER THE COMMISSIONER OF INTERNAL REVENUE (CIR) WAS ABLE TO SUFFICIENTLY PROVE THAT THE ASSESSMENT NOTICES WERE PROPERLY AND DULY SERVED UPON AND RECEIVED BY TAXPAYER, IS A QUESTION OF FACT.—** The question of whether the CIR was able to sufficiently prove that the PAN and the FAN were properly and duly served upon and received by respondent is, undeniably, a question of fact. In the case, the CTA *En Banc* ruled in the negative; hence, it sustained the CTA Division's finding that respondent was not accorded due process and declared void the assessments made against respondent for deficiency IT and VAT for CY 2007. The Court recognizes that the CTA's findings can only be disturbed on appeal if they are not supported by substantial evidence, or there is a showing of gross error or abuse on the part of the tax court. There is no such gross error or abuse in this case.

3. **TAXATION; NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED, AND THE REVENUE REGULATIONS (RR) 12-99; DUE PROCESS REQUIREMENT IN THE ISSUANCE OF A DEFICIENCY TAX ASSESSMENT; THE TAXPAYER MUST BE INFORMED IN WRITING OF THE LAW AND THE FACTS ON WHICH THE ASSESSMENT IS MADE; OTHERWISE, THE ASSESSMENT SHALL BE VOID; WHERE THE TAXPAYER DENIED RECEIPT OF THE ASSESSMENT NOTICES, THE BURDEN IS SHIFTED TO THE COMMISSIONER OF INTERNAL REVENUE (CIR) TO PROVE THAT THE MAILED ASSESSMENT NOTICES WERE INDEED RECEIVED BY THE TAXPAYER OR BY ITS AUTHORIZED REPRESENTATIVE.—** Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, requires the assessment to inform the taxpayer in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void. x x x. [Under Section 3 of Revenue Regulations (RR) 12-99 dated September 6, 1999], service of the PAN or the FAN to the taxpayer may be made by registered mail. Under Section 3(v), Rule 131 of the Rules of Court, there is a disputable presumption that "a letter duly directed and mailed was received in the regular course of the mail." However, the presumption is subject to controversion and direct denial, in which case the burden is shifted to the party favored by the presumption to establish that the subject mailed letter was actually received by the addressee. In view of respondent's categorical denial of due receipt of the PAN and the FAN, the burden was shifted to the CIR to prove that the mailed assessment notices were indeed received by respondent or by its authorized representative. As ruled by the CTA *En Banc*, the CIR's mere presentation of Registry Receipt Nos. 5187 and 2581 was insufficient to prove respondent's receipt of the PAN and the FAN. It held that the witnesses for the CIR failed to identify and authenticate the signatures appearing on the registry receipts; thus, it cannot be ascertained whether the signatures appearing in the documents were those of respondent's authorized representatives. It further noted that Revenue Officer Joseph V. Galicia (Galicia), the CIR's witness, had in fact admitted during cross-examination that he was uncertain whether the PAN and FAN were actually received by respondent.

4. **ID.; ID.; COURT OF TAX APPEALS; THE COURT RESPECTS THE CONCLUSIONS OF QUASI-JUDICIAL AGENCIES SUCH AS THE COURT OF TAX APPEALS (CTA), A HIGHLY SPECIALIZED BODY SPECIFICALLY CREATED FOR THE PURPOSE OF REVIEWING TAX CASES; IN THE ABSENCE OF ANY CLEAR AND CONVINCING PROOF THAT THE FINDINGS OF THE CTA ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE OR THAT THERE IS A SHOWING THAT IT COMMITTED A GROSS ERROR OR ABUSE, THE COURT MUST PRESUME THAT THE CTA RENDERED A DECISION WHICH IS VALID IN EVERY RESPECT.—** The Court sees no reason to set aside the findings of the CTA *En Banc*. "It is doctrinal that the Court will not lightly set aside the conclusions reached by the CTA which, by the very nature of its functions, has accordingly developed an exclusive expertise on the resolution unless there has been an abuse or improvident exercise of authority." Likewise, it has been the long-standing policy and practice of the Court to respect the conclusions of quasi-judicial agencies such as the CTA, a highly specialized body specifically created for the purpose of reviewing tax cases. In the absence of any clear and convincing proof that the findings of the CTA are not supported by substantial evidence or that there is a showing that it committed a gross error or abuse, the Court must presume that the CTA rendered a decision which is valid in every respect.

5. **ID.; ID.; REVENUE REGULATIONS (RR) 12-99; DUE PROCESS REQUIREMENT IN THE ISSUANCE OF A DEFICIENCY TAX ASSESSMENT; THE DEFICIENCY INCOME TAX AND VALUE-ADDED TAX ASSESSMENTS ARE VOID WHERE THE TAXPAYER WAS NOT ACCORDED DUE PROCESS IN THEIR ISSUANCE.—** [T]he Court finds significant the fairly recent issuance by no less than the CIR himself of Revenue Memorandum Order No. (RMO) 40-2019 dated May 30, 2019, which prescribes the procedures for the proper service of assessment notices in accordance with the provisions of Section 3.1.6 of RR 18-2013. RMO 40-2019 pertinently provides: 12. The Chief of the Assessment Division or the Head of the Reviewing Office shall maintain a record of all assessment notices x x x. As can be gleaned x x x, a detailed record of all assessment notices issued

by the CIR is required. Notably, among the details to be recorded by the Chief of the Assessment Division or the Head of the Reviewing Office are the "[*n*]*ame of* [*t*]*axpayer/*[*p*]*erson who received the assessment notice*" and, more importantly, the "[*p*]*osition/designation/relationship to the taxpayer, if not served to the taxpayer named in the assessment notice.*" While RMO 40-2019 was not yet in force at the time the questioned PAN and FAN in the case were issued, the fact of such subsequent issuance of RMO 40-2019 by the CIR gives the Court all the more reason to affirm, if only for consistency and uniformity, the CTA *En Banc*'s finding that the CIR failed to prove that the PAN and the FAN were properly and duly served upon and received by respondent. Here, the CIR failed to identify and authenticate the signatures appearing on Registry Receipt Nos. 5187 and 2581 for the purpose of ascertaining whether such signatures were those of respondent's authorized representative/s. Hence, it is readily apparent that the CIR could not have complied with the requirement of noting the position/designation/relationship of Mr. B. Benitez, the recipient, to respondent, the taxpayer. Additionally, the argument of the CIR that the deficiency tax assessments have already become final, executory, and demandable should be premised on the validity of the assessments themselves. As it was established that the deficiency IT and VAT assessments for CY 2007 are void for failure to accord respondent due process in their issuance, the CIR's argument necessarily fails.

6. **ID.; ID.; ID.; ID.; EVEN IF THE FINAL ASSESSMENT NOTICE AND ASSESSMENT NOTICES ATTACHED THERETO WERE DULY SERVED ON AND RECEIVED BY THE TAXPAYER, THEY ARE STILL VOID AND WITHOUT ANY LEGAL CONSEQUENCE, WHERE THE SAME DID NOT PRESCRIBE A DEFINITE PERIOD FOR THE TAXPAYER TO PAY THE ASSESSED DEFICIENCY TAXES.—**[E]ven granting that the PAN and the FAN were properly and duly served upon and received by respondent the Court affirms the CTA *En Banc*'s ruling that the FAN and the assessment notices attached to it are still void for failure to demand payment of the taxes due within a specific period. As held in *Commissioner of Internal Revenue v. Fitness by Design, Inc.*: A final assessment is a notice "to the effect that the amount therein stated is due as tax and a demand for payment thereof."

This demand for payment signals the time "when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]" Thus, it must be "sent to and received by the taxpayer, and *must demand payment of the taxes described therein within a specific period*."In this case, the CTA *En Banc* observed that the last paragraph of the FAN indicates that the CIR would still issue a formal letter of demand and assessment notice should respondent fail to respond to the FAN within the 15-day period given to it to present in writing its side of the case. However, the CTA *En Banc* found nothing in the record that reveals that the CIR had issued a final demand containing a specific or definite period of payment following the expiration of the 15-day period given to respondent to respond to the FAN. Further, the CTA *En Banc* observed that the assessment notices attached to the FAN also did not prescribe a definite period for respondent to pay the alleged deficiency taxes. Again, the matter of whether the subject assessments contained a definite period within which to pay the assessed taxes is a question of fact which this Court will not entertain in the present appeal under Rule 45. There being no showing of gross error or abuse on the part of the CTA *En Banc* in its findings of fact, the Court accords respect to the latter's finding that the FAN dated July 20, 2010 and the assessment notices attached to it did not contain a definite period within which to pay the assessed taxes. As such, even assuming that the assessments were duly served on and received by respondent, they are still void and without any legal consequence.

APPEARANCES OF COUNSEL

Bureau of Internal Revenue Litigation Division for petitioner.
Añover Añover San Diego Primavera Law Offices for respondent.

R E S O L U T I O N

INTING, *J.*:

This resolves the Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court filed by the Commissioner of

---

[1] *Rollo*, pp. 29-56.

Internal Revenue (CIR) against T Shuttle Services, Inc. (respondent) assailing the Decision[2] dated April 3, 2018 and the Resolution[3] dated July 16, 2018 issued by the Court of Tax Appeals (CTA) *En Banc* in CTA EB No. 1565 (CTA Case No. 8650).

The relevant facts, as gathered by the CTA *En Banc*, are as follows:

On July 15, 2009, the CIR issued to respondent a Letter of Notice (LN) No. 057-RLF-07-00-00047 informing it of the discrepancy found after comparing its tax returns for Calendar Year (CY) 2007 with the Reconciliation of Listings for Enforcement and Third-Party Matching under the Tax Reconciliation System. The LN was received and signed by a certain Malou Bohol on July 24, 2009.[4]

Subsequently, the Bureau of Internal Revenue (BIR), through LN Task Force Head Salina B. Marinduque, issued a follow-up letter dated August 24, 2009. The letter was received and signed by a certain Amado Ramos.[5]

Due to the inaction of respondent, the CIR issued to it, on January 12, 2010, the following: (1) Letter of Authority (LOA) No. 2008 00044533 for the examination of its book of accounts; and other accounting records and (2) a Notice of Informal Conference (NIC).[6]

---

[2] *Id.* at 64-94; penned by Associate Justice Esperanza R. Fabon-Victorino with Associate Justices Roman G. Del Rosario (Presiding Justice), Juanito C. Castañeda, Jr., Lovell R. Bautista, Erlinda P. Uy, Cesar A. Casanova, Cielito N. Mindaro-Grulla and Ma. Belen M. Ringpis-Liban, concurring; and Associate Justice Catherine T. Manahan, dissenting.

[3] *Id.* at 95-100; penned by Associate Justice Esperanza R. Fabon-Victorino with Associate Justices Roman G. Del Rosario (Presiding Justice), Juanito C. Castañeda, Jr., Lovell R. Bautista, Caesar A. Casanova, Cielito N. Mindaro-Grulla and Ma. Belen M. Ringpis-Liban, concurring; Associate Justice Catherine T. Manahan, maintaining her dissenting opinion; and Associate Justice Erlinda P. Uy, on leave.

[4] *Id.* at 65.

[5] *Id.*

[6] *Id.* at 66.

On March 29, 2010, the CIR issued a Preliminary Assessment Notice (PAN) with attached Details of Discrepancies that found respondent liable for deficiency income tax (IT) and value-added tax (VAT) in the total amount of ₱6,485,579.49.[7]

On July 20, 2010, the CIR issued a Final Assessment Notice (FAN), assessing respondent with deficiency VAT in the amount of ₱3,720,488.73 and deficiency IT in the amount of ₱5,305,486.50.[8]

On November 28, 2012, the Revenue District Officer (RDO) issued a Preliminary Collection Letter requesting respondent to pay the assessed tax liability within 10 days from notice.[9]

On January 23, 2013, the RDO issued a Final Notice Before Seizure (FNBS) giving respondent the last opportunity to settle its tax liability within 10 days from notice.[10]

On March 20, 2013, respondent sent a letter to the RDO and the collection officers stating that: (1) it is not aware of any pending liability for CY 2007; (2) that Mr. B. Benitez, who signed and received the preliminary notices, was a disgruntled rank-and-file employee not authorized to receive the notices; and (3) Mr. B. Benitez did not forward the notices to it. Respondent also requested a grace period of one month to review its documents.[11]

In a letter dated April 2, 2013, the RDO denied the requested one-month grace period.[12]

On April 19, 2013, respondent protested the FNBS. It claimed that it is not liable for any deficiency IT for CY 2007; that being a common carrier, it is exempt from the payment of VAT;

---

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *Id.* at 67.

[11] *Id.*

[12] *Id.*

that the service of the NIC was invalid; and that it did not receive the PAN and FAN prior to the issuance of the FNBS.[13]

On April 23, 2013, respondent was constructively served with a Warrant of Distraint and/or Levy (WDL) No. 057-03-13-074-R.[14]

Aggrieved, on May 2, 2013, respondent filed a Petition for Review (With Prayer for Preliminary Injunction and Issuance of a Temporary Restraining Order) with the CTA in Division.[15]

In the Answer dated August 22, 2013, the CIR prayed for the denial of the petition for review arguing that: (1) no error or illegality can be ascribed to his assessment for deficiency tax liability as due process was observed; (2) respondent failed to interpose a timely protest against the FAN and to submit within the prescribed period of 60 days supporting documents to refute the findings of the revenue examiners; (3) respondent is liable for deficiency IT and deficiency VAT; and (4) the presumption of the propriety and exactness of tax assessments is in his favor.[16]

Ruling of the CTA sitting in Division (CTA Division)

In the Decision dated August 30, 2016, the CTA Division granted respondent's petition for review. Accordingly, it cancelled and set aside the following: (1) the FAN dated July 20, 2010 and the attached Assessment Notices No. F-057-LNTF-07-IT-002 and F-057-LNTF-07-VT-002, respectively assessing respondent for deficiency IT of ₱5,305,486.50 and deficiency VAT of ₱3,720,488.73, or a total of ₱9,025,975.23, for CY 2007; and (2) WDL No. 057-03-13-074-12 served on April 23, 2013.

The CTA Division found that respondent was not accorded due process in the issuance of the PAN and the FAN as there

---

[13] *Id.*

[14] *Id.*

[15] *Id.*

[16] *Id.* at 67-68.

was failure to prove that the notices were properly and duly served upon and received by respondent. Hence, it declared void the assessments made against respondent for deficiency IT and deficiency VAT.[17]

In the Resolution dated November 16, 2016, the CTA Division denied the CIR's motion for reconsideration. Hence, the CIR filed a petition for review with the CTA *En Banc*.

Ruling of the CTA En Banc

In the assailed Decision[18] dated April 3, 2018, the CTA *En Banc* denied the petition for review for lack of merit. Thus, it affirmed the ruling of the CTA Division that the CIR failed to prove that the PAN and the FAN were properly and duly served upon and received by respondent. Consequently, it declared void the deficiency IT and VAT for CY 2007 assessed against respondent for failure to accord respondent due process in their issuance.[19]

Furthermore, even assuming that the PAN and the FAN were properly and duly served upon and received by respondent, the CTA *En Banc* ruled that the deficiency IT and VAT assessments against respondent for CY 2007 are still void for failure to demand payment of the taxes due within a specific period. It observed that the FAN and the assessment notices attached to it failed to prescribe a definite period for respondent to pay the alleged deficiency taxes.[20]

The CIR filed a motion for reconsideration, but the CTA *En Banc* denied it in the Resolution[21] dated July 16, 2018.

Hence, the present petition raising the following grounds:

WHILE MAINTAINING THAT THE CTA HAS NO JURISDICTION OVER THE ORIGINAL PETITION SINCE THE DEFICIENCY TAX

---

[17] *Id.* at 68.

[18] *Id.* at 64-82.

[19] *Id.* at 78.

[20] *Id.* at 78-79.

[21] *Id.* at 95-100.

ASSESSMENT HAS ALREADY BECOME FINAL, EXECUTORY AND DEMANDABLE, THE CTA ERRED IN DECLARING THE ASSESSMENTS VOID FOR THE ALLEGED FAILURE ON THE PART OF PETITIONER TO PROVE SERVICE THEREOF TO RESPONDENT.

THE CTA *EN BANC* ERRED IN RULING THAT THE FINAL ASSESSMENT NOTICE ISSUED AGAINST RESPONDENT IS VOID FOR ALLEGEDLY NOT CONTAINING A DEFINITE DUE DATE FOR PAYMENT OF THE TAX LIABILITIES.[22]

The Court's Ruling

The petition lacks merit.

At the outset, it bears stressing that a review of appeals filed before this Court is "not a matter of right, but of sound judicial discretion."[23] Further, a petition under Rule 45 of the Rules of Court should raise only questions of law which must be distinctly set forth.[24] A question is one of law when the appellate court can determine the issue raised without reviewing or evaluating the evidence; otherwise, it is a question of fact.[25]

Factual questions are not the proper subject of an appeal by *certiorari*. It is not for the Court to once again analyze or weigh evidence that has already been considered in the lower courts.[26]

The question of whether the CIR was able to sufficiently prove that the PAN and the FAN were properly and duly served upon and received by respondent is, undeniably, a question of fact. In the case, the CTA *En Banc* ruled in the negative; hence, it sustained the CTA Division's finding that respondent was

---

[22] *Id.* at 33.

[23] See Section 6, Rule 45, RULES OF COURT.

[24] See Section 1, Rule 45, RULES OF COURT.

[25] *Century Iron Works, Inc., et al. v. Bañas*, 711 Phil. 576, 586 (2013), citing *Leoncio, et al. v. Vera, et al.*, 569 Phil. 512, 516 (2008), further citing *Binay v. Odeña*, 551 Phil. 681, 689 (2007).

[26] *Sps. Miano v. Manila Electric Company*, 800 Phil. 118, 119 (2016).

not accorded due process and declared void the assessments made against respondent for deficiency IT and VAT for CY 2007.

The Court recognizes that the CTA's findings can only be disturbed on appeal if they are not supported by substantial evidence, or there is a showing of gross error or abuse on the part of the tax court.[27] There is no such gross error or abuse in this case.

Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, requires the assessment to inform the taxpayer in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void. Section 228 pertinently provides:

SEC. 228. *Protesting of Assessment*. — When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: Provided, however, That a pre-assessment notice shall not be required in the following cases:

x x x x x x x x x

The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.

Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings.

x x x x x x x x x (Emphasis supplied)

To highlight the due process requirement in Section 228 of the NIRC, Section 3 of Revenue Regulations (RR) 12-99[28] dated September 6, 1999 provides:

---

[27] *Commissioner of Internal Revenue v. GJM Phils. Manufacturing, Inc.*, 781 Phil. 816, 825 (2016).

[28] Implementing the Provisions of the National Internal Revenue Code of 1997 Governing the Rules on Assessment of National Internal Revenue

SECTION 3. *Due Process Requirement in the Issuance of a Deficiency Tax Assessment*. —

3.1 Mode of procedures in the issuance of a deficiency tax assessment:

3.1.1 *Notice for informal conference*. — The Revenue Officer who audited the taxpayer's records shall, among others, state in his report whether or not the taxpayer agrees with his findings that the taxpayer is liable for deficiency tax or taxes. If the taxpayer is not amenable, based on the said Officer's submitted report of investigation, the taxpayer shall be informed, in writing, by the Revenue District Office or by the Special Investigation Division, as the case may be (in the case Revenue Regional Offices) or by the Chief of Division concerned (in the case of the BIR National Office) of the discrepancy or discrepancies in the taxpayer's payment of his internal revenue taxes, for the purpose of "Informal Conference," in order to afford the taxpayer with an opportunity to present his side of the case. If the taxpayer fails to respond within fifteen (15) days from date of receipt of the notice for informal conference, he shall be considered in default, in which case, the Revenue District Officer or the Chief of the Special Investigation Division of the Revenue Regional Office, or the Chief of Division in the National Office, as the case may be, shall endorse the case with the least possible delay to the Assessment Division of the Revenue Regional Office or to the Commissioner or his duly authorized representative, as the case may be, for appropriate review and issuance of a deficiency tax assessment, if warranted.

3.1.2 *Preliminary Assessment Notice (PAN)*. — If after review and evaluation by the Assessment Division or by the Commissioner or his duly authorized representative, as the case may be, it is determined that there exists sufficient basis to assess the taxpayer for any deficiency is tax or taxes, the said Office shall issue to the taxpayer, at least by registered mail, a Preliminary Assessment Notice (PAN) for the proposed assessment, showing in detail, the facts and the law, rules and regulations, or jurisprudence on which the proposed assessment is based x x x. If the taxpayer fails to respond within fifteen (15) days from date of receipt of the PAN, he shall be considered in default, in which case, a formal letter of demand and assessment notice shall

---

Taxes, Civil Penalties and Interest and the Extra-Judicial Settlement of a Taxpayer's Criminal Violation of the Code Through Payment of a Suggested Compromise Penalty, Revenue Regulations No. 12-99.

be caused to be issued by the said Office, calling for payment of the taxpayer's deficiency tax liability, inclusive of the applicable penalties.

x x x x x x x x x

3.1.4 *Formal Letter of Demand and Assessment Notice*. — The formal letter of demand and assessment notice shall be issued by the Commissioner or his duly authorized representative. The letter of demand calling for payment of the taxpayer's deficiency tax or taxes shall state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based, *otherwise, the formal letter of demand and assessment notice shall be void* x x x. The same shall be sent to the taxpayer only by registered mail or by personal delivery. If sent by personal delivery, the taxpayer or his duly authorized representative shall acknowledge receipt thereof in the duplicate copy of the letter of demand, showing the following: (a) His name; (b) signature; (c) designation and authority to act for and in behalf of the taxpayer, if acknowledged received by a person other than the taxpayer himself; and (d) date of receipt thereof.

x x x x x x x x x

As can be gleaned from the above provisions, service of the PAN or the FAN to the taxpayer may be made by registered mail. Under Section 3 (v), Rule 131 of the Rules of Court, there is a disputable presumption that "a letter duly directed and mailed was received in the regular course of the mail." However, the presumption is subject to controversion and direct denial, in which case the burden is shifted to the party favored by the presumption to establish that the subject mailed letter was actually received by the addressee.[29]

In view of respondent's categorical denial of due receipt of the PAN and the FAN, the burden was shifted to the CIR to prove that the mailed assessment notices were indeed received by respondent or by its authorized representative.

As ruled by the CTA *En Banc*, the CIR's mere presentation of Registry Receipt Nos. 5187 and 2581 was insufficient to prove respondent's receipt of the PAN and the FAN. It held

---

[29] *Barcelon, Roxas Securities, Inc. (now known as UBP Securities, Inc.) v. Commissioner of Internal Revenue*, 529 Phil. 785, 793 (2006).

that the witnesses for the CIR failed to identify and authenticate the signatures appearing on the registry receipts; thus, it cannot be ascertained whether the signatures appearing in the documents were those of respondent's authorized representatives. It further noted that Revenue Officer Joseph V. Galicia (Galicia), the CIR's witness, had in fact admitted during cross-examination that he was uncertain whether the PAN and FAN were actually received by respondent.[30]

In the present petition, the CIR contends that he had presented competent proof of actual mailing and receipt of the assessment notices. He, likewise, insists that Galicia was incompetent to testify as to the authentication of the signatures of respondent appearing on the subject registry return receipts. He avers that Galicia had neither control on the acceptance of the receipts nor connection with the taxpayer to verify the signatures appearing thereon. Thus, he maintains that Galicia's testimony, although not objected to, had no probative value that can be used as justification by the CTA *En Banc* in the assailed Decision.

Citing Section 36, Rule 130 of the Rules of Court which provides that a witness can testify only to those facts which he knows of his personal knowledge, the CIR argues that Galicia had no capacity to validate the signatures appearing on the registry return receipts. The CIR also invokes CTA Associate Justice Catherine T. Manahan's Dissenting Opinion,[31] which referred to the testimony of Galicia from his Judicial Affidavit and concluded that petitioner was able to establish actual mailing and receipt of the assessment notices.

The Court sees no reason to set aside the findings of the CTA *En Banc*. "It is doctrinal that the Court will not lightly set aside the conclusions reached by the CTA which, by the very nature of its functions, has accordingly developed an exclusive expertise on the resolution unless there has been an

---

[30] *Rollo*, p. 77.

[31] *Id.* at 83-94.

abuse or improvident exercise of authority."[32] Likewise, it has been the long-standing policy and practice of the Court to respect the conclusions of quasi-judicial agencies such as the CTA, a highly specialized body specifically created for the purpose of reviewing tax cases.[33] In the absence of any clear and convincing proof that the findings of the CTA are not supported by substantial evidence or that there is a showing that it committed a gross error or abuse, the Court must presume that the CTA rendered a decision which is valid in every respect.[34]

In any event, the Court finds significant the fairly recent issuance by no less than the CIR himself of Revenue Memorandum Order No. (RMO) 40-2019[35] dated May 30, 2019, which prescribes the procedures for the proper service of assessment notices in accordance with the provisions of Section 3.1.6 of RR 18-2013.[36] RMO 40-2019 pertinently provides:

> 12. The Chief of the Assessment Division or the Head of the Reviewing Office shall maintain a record of all assessment notices that were issued with the following details:
>
> 12.1 Type of Assessment Notice (PAN/FLD/FAN/FDDA);
>
> 12.2 Assessment Notice Number, if applicable;

---

[32] *CIR v. Univation Motor Philippines, Inc.*, G.R. No. 231581, April 10, 2019, citing *Commissioner of Internal Revenue v. Bank of the Philippine Islands*, G.R. No. 224327, June 11, 2018, 866 SCRA 104, 113.

[33] *Commissioner of Internal Revenue v. GJM Phils. Manufacturing, Inc.*, *supra* note 27 at 825, citing *Commissioner of Internal Revenue v. MERALCO*, 735 Phil. 547, 561 (2014).

[34] *Commissioner of Internal Revenue v. Team [Phils.] Operations Corp.*, 731 Phil. 141, 152-153 (2014). Citations omitted.

[35] Entitled "Prescribing the Procedures for the Proper Service of Assessment Notices in Accordance with the Provisions of Section 3.1.6 of Revenue Regulations (RR) No. 18-2013," issued and took effect on May 30, 2019.

[36] Entitled "Amending Certain Sections of Revenue Regulations No. 12-99 Relative to the Due Process Requirement in the Issuance of a Deficiency Tax Assessment," issued on November 28, 2013, and published in the Manila Bulletin on November 30, 2013 and The Philippine Star on December 3, 2013.

12.3 Date of Assessment Notice;

12.4 Name of Taxpayer;

12.5 Registered Address;

12.6 Mode of Service;

12.7 Date of Service;

12.8 Name of Taxpayer/Person who received the assessment notice;

12.9 Position/designation/relationship to the taxpayer, if not personally served to the taxpayer named in the assessment notice;

12.10 Address/place where the assessment notice was served/delivered in case the assessment notice was served in a place other than his registered address; and

12.11 Status — Indicate whether the deficiency tax assessment is

a. Paid;

b. Unprotested; or

c. Disputed.

As can be gleaned above, a detailed record of all assessment notices issued by the CIR is required. Notably, among the details to be recorded by the Chief of the Assessment Division or the Head of the Reviewing Office are the "[*n*]*ame of* [*t*]*axpayer/* [*p*]*erson who received the assessment notice*" and, more importantly, the "[*p*]*osition/designation/relationship to the taxpayer, if not served to the taxpayer named in the assessment notice*."

While RMO 40-2019 was not yet in force at the time the questioned PAN and FAN in the case were issued, the fact of such subsequent issuance of RMO 40-2019 by the CIR gives the Court all the more reason to affirm, if only for consistency and uniformity, the CTA *En Banc*'s finding that the CIR failed to prove that the PAN and the FAN were properly and duly served upon and received by respondent. Here, the CIR failed to identify and authenticate the signatures appearing on Registry Receipt Nos. 5187 and 2581 for the purpose of ascertaining whether such signatures were those of respondent's authorized representative/s. Hence, it is readily apparent that the CIR could not have complied with the requirement of noting the position/

designation/relationship of Mr. B. Benitez, the recipient, to respondent, the taxpayer.

Additionally, the argument of the CIR that the deficiency tax assessments have already become final, executory, and demandable should be premised on the validity of the assessments themselves. As it was established that the deficiency IT and VAT assessments for CY 2007 are void for failure to accord respondent due process in their issuance, the CIR's argument necessarily fails.

Besides, even granting that the PAN and the FAN were properly and duly served upon and received by respondent the Court affirms the CTA *En Banc*'s ruling that the FAN and the assessment notices attached to it are still void for failure to demand payment of the taxes due within a specific period.

As held in *Commissioner of Internal Revenue v. Fitness by Design, Inc.*:[37]

> A final assessment is a notice "to the effect that the amount therein stated is due as tax and a demand for payment thereof." This demand for payment signals the time "when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]" Thus, it must be "sent to and received by the taxpayer, and *must demand payment of the taxes described therein within a specific period*." (Italics supplied.)

In this case, the CTA *En Banc* observed that the last paragraph of the FAN indicates that the CIR would still issue a formal letter of demand and assessment notice should respondent fail to respond to the FAN within the 15-day period given to it to present in writing its side of the case. However, the CTA *En Banc* found nothing in the record that reveals that the CIR had issued a final demand containing a specific or definite period of payment following the expiration of the 15-day period given to respondent to respond to the FAN. Further, the CTA *En Banc* observed that the assessment notices attached to the FAN

[37] 799 Phil. 391 (2016).

also did not prescribe a definite period for respondent to pay the alleged deficiency taxes.

Again, the matter of whether the subject assessments contained a definite period within which to pay the assessed taxes is a question of fact which this Court will not entertain in the present appeal under Rule 45. There being no showing of gross error or abuse on the part of the CTA *En Banc* in its findings of fact, the Court accords respect to the latter's finding that the FAN dated July 20, 2010 and the assessment notices attached to it did not contain a definite period within which to pay the assessed taxes. As such, even assuming that the assessments were duly served on and received by respondent, they are still void and without any legal consequence.

WHEREFORE, the petition for review on *certiorari* is **DENIED**. The assailed Decision dated April 3, 2018 and the Resolution dated July 16, 2018 issued by the Court of Tax Appeals *En Banc* in CTA EB No. 1565 (CTA Case No. 8650) are **AFFIRMED**.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

THIRD DIVISION

[G.R. No. 242070. August 24, 2020]

JEFFREY M. CALMA, *petitioner*, *vs.* **MARI KRIS SANTOS-CALMA,** *respondent*.

SYLLABUS

1. **CIVIL LAW; THE FAMILY CODE; NULL AND VOID MARRIAGE UNDER RULE 36; PSYCHOLOGICAL INCAPACITY; PSYCHOLOGICAL INCAPACITY MUST BE CHARACTERIZED BY GRAVITY, JURIDICAL ANTECEDENCE AND INCURABILITY.—** This Court had an early occasion to interpret Article 36 in *Santos v. Court of Appeals*. Noting that Article 36 was deliberately framed with "less specificity . . . [so as to] to allow some resiliency in its application[,]" *Santos* determined that:

   > "[P]sychological incapacity" should refer to no less than a mental (not physical) incapacity that causes a party to be truly incognitive of the basic marital covenants that concomitantly must be assumed and discharged by the parties to the marriage which, as so expressed by Article 68 of the Family Code, include their mutual obligations to live together, observe love, respect and fidelity and render help and support. There is hardly any doubt that the intendment of the law has been to confine the meaning of "psychological incapacity" to the most serious cases of personality disorders clearly demonstrative of an utter insensitivity or inability to give meaning and significance to the marriage.

   Santos proceeded to determine that psychological incapacity, under Article 36, "must be characterized by (a) gravity, (b) juridical antecedence, and (c) incurability."

2. **ID.; ID.; ID.; ID.; THE ABANDONMENT OF ONE'S FAMILY, EXTRAMARITAL AFFAIR, SQUANDERING OF FINANCIAL SUPPORT, IMPLORING FOR MORE MONEY, INDIFFERENCE, AND DEJECTION ARE MANIFESTATIONS OF A GRAVE PSYCHOLOGICAL DISORDER AND INABILITY TO FULFILL ESSENTIAL MARITAL OBLIGATIONS.—** In keeping with contemporary standards on appraising Article 36 cases, this Court finds that the Court of Appeals and Regional Trial Court erred in failing to appreciate that respondent's condition was attended by gravity, juridical antecedence, and incurability, thereby warranting a declaration that her marriage to petitioner is void.

. . .

Even without technical examination by a psychologist, the gravity of respondent's quagmire and her utter inability to fulfill essential marital obligations are plain to see.

. . .

It was clear from the onset how respondent was unsuited to fulfill the essential obligations of marriage. She was unable to settle in what should have been a common abode with her spouse and son. She never contributed to and even squandered resources for their family's subsistence and her child's rearing. She scoffed at petitioner's effort to support their family; gaslighting him with the claim that he abandoned her. Ever unsatisfied, she would come to a point when she would not even offer a proper explanation for imploring more money. In the face of her husband's fortitude and beneficence, she would leave him for another partner. Worse, she only seemed all too satisfied to abandon their son's rearing to her husband.

3. **ID.; ID.; ID.; ID.; A PSYCHOLOGIST'S FINDINGS OF SCHIZOID PERSONALITY DISORDER AND MALADAPTIVE BEHAVIORAL PATTERNS CONFIRM THE EXTENT OF A PERSON'S INABILITY TO FULFILL ESSENTIAL MARITAL OBLIGATIONS; CASE AT BAR.—** Further to the undisputed facts and incidents just recalled, Dr. Manrique's findings confirmed the extent of respondent's debility. By identifying her as suffering from schizoid personality disorder, and manifesting maladaptive behavioral patterns, Dr. Manrique's report medically identified the root cause of her psychological incapacity, and explored how she has been rendered incapable of fulfilling essential marital obligations. Thus, her lack of interest in social relationships — though not as grave as the degree manifested in schizophrenia —prevents her from developing strong attachments and from staying in relationships. Her maladaptive behavioral patterns affect her impulse control and makes her susceptible to mood changes. This "invariably strain[s]" her relationships and results in her lacking empathy and concern.

4. **ID.; ID.; ID.; ID.; ALTHOUGH NOT AN ABSOLUTE AND INDISPENSABLE REQUIREMENT, EXPERT FINDINGS ON PSYCHOLOGICAL INCAPACITY DESERVE GREAT WEIGHT ESPECIALLY WHEN CORROBORATED BY OTHER PIECES OF EVIDENCE; CASE AT BAR.—** The Regional Trial Court and the Court of Appeals were myopic,

zeroing in only on Dr. Manrique's supposed inadequacies. It is unfortunate that they were so dismissive of those findings and, ultimately, of petitioner's cause.

Even without Dr. Manrique's report, however, other pieces of evidence indisputably point to the extent of respondent's debility. Dr. Manrique's findings bolster these by proffering not only a medically grounded understanding of respondent's condition that explored its causes, historical persistence, and prospects of being alleviated. In giving little regard to Dr. Manrique's findings, the Regional Trial Court and the Court of Appeals appear to have disregarded how jurisprudence has settled that, though not an absolute and indispensable requirement, expert findings deserve great weight when they are available.

5. **ID.; ID.; ID.; ID.; A MARRIAGE MUST BE DECLARED VOID WHEN THE TOTALITY OF THE EVIDENCE PRESENTED IS SUFFICIENT TO PROVE PSYCHOLOGICAL INCAPACITY; CASE AT BAR.—** Consistent with how the totality of evidence should ultimately inform any determination of whether a marriage should be declared void pursuant to Article 36 of the Family Code, as well as with judicial wisdom expressed in contemporary jurisprudence that has more keenly and openly understood the myriad manifestations of psychological incapacity, this Court finds that petitioner successfully discharged his burden of demonstrating respondent's psychological incapacity. It was error for the Regional Trial Court and the Court of Appeals to insist on the validity and subsistence of the parties' marriage.

APPEARANCES OF COUNSEL

Macam Gapasin Villeroz & Gabriel Law Offices for petitioner.

D E C I S I O N

LEONEN, *J.*:

When the totality of evidence demonstrates psychological incapacity, a marriage may be declared null and void pursuant to Article 36 of the Family Code.[1]

[1] FAMILY CODE, Art. 36 provides:

This resolves a Petition for Review on *Certiorari*[2] under Rule 45 of the 1997 Rules of Civil Procedure, praying that the assailed Decision[3] and Resolution[4] of the Court of Appeals in CA-G.R. CV No. 109155 be reversed and set aside, and that petitioner Jeffrey M. Calma's (Jeffrey) marriage with respondent Mari Kris Santos-Calma (Kris) be declared null and void in accordance with Article 36 of the Family Code.

The assailed Court of Appeals Decision affirmed Guagua Regional Trial Court's January 6, 2017 Decision[5] which dismissed the Petition for Declaration of Nullity of Marriage filed by Jeffrey against Kris. The assailed Resolution denied Jeffrey's Motion for Reconsideration.

Jeffrey met Kris in February 2005 while they were both working as Jollibee crew members. Within a month of meeting each other, they had become sexually intimate. Soon after, Kris became pregnant. Though admittedly incapable of raising a family, Jeffrey sought Kris' hand in marriage. They were married in civil rites on August 15, 2005.[6]

ART. 36. A marriage contracted by any party who, at the time of the celebration, was psychologically incapacitated to comply with the essential marital obligations of marriage, shall likewise be void even if such incapacity becomes manifest only after its solemnization.

[2] *Rollo*, pp. 25-39.

[3] *Id*. at 222-237. The June 21, 2018 Decision docketed as CA-G.R. CV No. 109155 was penned by Associate Justice Celia C. Librea-Leagogo and concurred in by Associate Justices Samuel H. Gaerlan (now a member of this Court) and Marie Christine Azcarraga-Jacob of the Eighth Division, Court of Appeals, Manila.

[4] *Id*. at 251-252. The August 22, 2018 Resolution docketed as CA-G.R. CV No. 109155 was penned by Associate Justice Celia C. Librea-Leagogo and concurred in by Associate Justices Samuel H. Gaerlan (now a member of this Court) and Marie Christine Azcarraga-Jacob of the Former Eighth Division, Court of Appeals, Manila.

[5] *Id*. at 40-48. The Decision docketed as Civil Case No. G-13-4943 was penned by Presiding Judge Merideh D. Delos Santos-Malig of the Regional Trial Court, Branch 51, Guagua, Pampanga.

[6] *Id*. at 223.

Ten days into their marriage, Jeffrey received information that he was given a visa for a three-year contract as an overseas Filipino worker in the Middle East. Confronted with this, Jeffrey and Kris agreed that Kris would live with Jeffrey's parents in Pampanga while he was away working. This choice was also due, in part, to how Kris did not have good relations with her parents.[7]

On December 31, 2005, Kris gave birth to their son, Josh Xian. A few months later, Kris told Jeffrey that she wanted to stay with her own family in Bulacan. Jeffrey acceded. After a couple of months, however, Kris told Jeffrey that she needed to leave Bulacan due to a misunderstanding with her father. Jeffrey then made arrangements for Kris to live at his sister's house in Quezon City.[8]

Jeffrey thought things were going well, when he noticed that Kris' demands for money kept escalating; always claiming that the money was for Josh Xian. In 2008, Kris changed mobile numbers in rapid succession, making Jeffrey suspicious. Moreover, some time in 2008, Kris asked for more money, explaining that she was in "deep trouble[.]"[9] Jeffrey responded that he was due to return to the Philippines shortly, and asked that Kris wait for him instead.[10]

Upon his return, Kris never bothered to meet Jeffrey. He had to go to Bulacan to see her and his son. While Josh Xian was there, Kris was not. Kris' parents told Jeffrey that Kris was already cohabiting with another man and was pregnant. His in-laws allowed him to have Josh Xian and advised him to start anew.[11]

---

[7] *Id*.

[8] *Id*.

[9] *Id*. at 224.

[10] *Id*.

[11] *Id*.

When Jeffrey confronted Kris, she allegedly showed no remorse and blamed Jeffrey for abandoning her to work abroad. Kris would never again talk to Jeffrey or visit Josh Xian.[12]

In 2013, Jeffrey considered the possibility of having his marriage to Kris declared null. Efforts were then made to locate Kris.[13] Clinical psychologist Dr. Leo Ruben C. Manrique's services were subsequently engaged. After interviews with Jeffrey, Kris, and their relatives.[14] Dr. Manrique concluded that Kris: (1) was suffering from schizoid personality disorder; (2) manifested maladaptive behavioral patterns; and (3) was psychologically incapacitated to such an extent that she was "incapable of performing essential marital obligations[.]"[15]

Subsequently, Jeffrey filed a Petition for Declaration of Nullity of Marriage on account of psychological incapacity.

Jeffrey presented three (3) witnesses: (1) himself; (2) his mother; and (3) Dr. Manrique.[16]

After trial, the Guagua Regional Trial Court rendered its January 6, 2017 Decision[17] dismissing Jeffrey's Petition on account of his supposed failure to show the gravity, juridical antecedence, and incurability of Kris' psychological capacity. The Regional Trial Court was particularly dismissive of Dr. Manrique's findings, stating that nothing was offered by way of evidence.[18]

Still centering on the supposed inadequacies of Dr. Manrique's findings, the Court of Appeals' assailed June 21, 2018 Decision[19] affirmed the Regional Trial Court.

---

[12] *Id*.

[13] *Id*. at 41-42.

[14] *Id*. at 78.

[15] *Id*. at 224.

[16] *Id*. at 225.

[17] *Id*. at 40-48.

[18] *Id*. at 44.

[19] *Id*. at 222-237.

Following the denial[20] of his Motion for Reconsideration, Jeffrey filed the present Petition.

For this Court's resolution is the issue of whether or not the gravity, juridical antecedence, and incurability of Kris' psychological capacity has been shown as would justify the declaration of nullity of her marriage to Jeffrey.

I

Article 36 of the Family Code identifies psychological incapacity as a ground for considering a marriage void:

> ARTICLE 36. A marriage contracted by any party who, at the time of the celebration, was psychologically incapacitated to comply with the essential marital obligations of marriage, shall likewise be void even if such incapacity becomes manifest only after its solemnization.

This Court had an early occasion to interpret Article 36 in *Santos v. Court of Appeals*.[21] Noting that Article 36 was deliberately framed with "less specificity . . . [so as to] to allow some resiliency in its application[,]"[22] *Santos* determined that:

> "[P]sychological incapacity" should refer to no less than a mental (not physical) incapacity that causes a party to be truly incognitive of the basic marital covenants that concomitantly must be assumed and discharged by the parties to the marriage which, as so expressed by Article 68 of the Family Code, include their mutual obligations to live together, observe love, respect and fidelity and render help and support. There is hardly any doubt that the intendment of the law has been to confine the meaning of "psychological incapacity" to the most serious cases of personality disorders clearly demonstrative of an utter insensitivity or inability to give meaning and significance to the marriage.[23]

---

[20] *Id*. at 251-252.

[21] 310 Phil. 21 (1995) [Per *J.* Vitug, *En Banc*].

[22] *Id*. at 36.

[23] *Id*. at 40.

Santos proceeded to determine that psychological incapacity, under Article 36, "must be characterized by (a) gravity, (b) juridical antecedence, and (c) incurability."[24]

Proceeding from this, *Republic v. Court of Appeals and Molina*[25] set more specific standards. *Republic v. Pangasinan*[26] summarized these standards, as follows:

(1) The burden of proof to show the nullity of the marriage belongs to the plaintiff.

(2) The root cause of the psychological incapacity must be (a) medically or clinically identified, (b) alleged in the complaint, (c) sufficiently proven by experts, and (d) clearly explained in the decision.

(3) The incapacity must be proven to be existing at "the time of the celebration" of the marriage.

(4) Such incapacity must also be shown to be medically or clinically permanent or incurable.

(5) Such illness must be grave enough to bring about the disability of the party to assume the essential obligations of marriage.

(6) The essential marital obligations must be those embraced by Articles 68 up to 71 of the Family Code as regards the husband and wife, as well as Articles 220, 221 and 225 of the same Code in regard to parents and their children. Such non-complied marital obligation(s) must also be stated in the petition, proven by evidence and included in the text of the decision.

(7) Interpretations given by the National Appellate Matrimonial Tribunal of the Catholic Church in the Philippines, while not controlling or decisive, should be given great respect by our courts.

(8) The trial court must order the prosecuting attorney or fiscal and the Solicitor General to appear as counsel for the state.

---

[24] *Id*. at 39.

[25] 335 Phil. 664 (1997) [Per *J.* Panganiban, *En Banc*].

[26] 792 Phil. 808 (2016) [Per *J.* Velasco, Jr., Third Division].

> No decision shall be handed down unless the Solicitor General issues a certification, which will be quoted in the decision, briefly stating therein his reasons for his agreement or opposition, as the case may be, to the petition.

> In sum, a person's psychological incapacity to comply with his or her essential obligations, as the case may be, in marriage must be rooted on a medically or clinically identifiable grave illness that is incurable and shown to have existed at the time of marriage, although the manifestations thereof may only be evident after marriage[.][27] (Citations omitted)

However, jurisprudence subsequent to *Molina* observed that the Court's decision "has unnecessarily imposed a perspective by which psychological incapacity should be viewed, *totally inconsistent* with the way the concept was formulated — free in form and devoid of any definition."[28] *Ngo Te v. Yu-Te*, decided in 2009, lamented that "*Molina* has become a straitjacket, forcing all sizes to fit into and be bound by it."[29] It explained:

> In hindsight, it may have been inappropriate for the Court to impose a rigid set of rules, as the one in *Molina*, in resolving all cases of psychological incapacity. Understandably, the Court was then alarmed by the deluge of petitions for the dissolution of marital bonds, and was sensitive to the [Office of the Solicitor General's] exaggeration of Article 36 as the "most liberal divorce procedure in the world." The unintended consequences of *Molina*, however, has taken its toll on people who have to live with deviant behavior, moral insanity and sociopathic personality anomaly, which, like termites, consume little by little the very foundation of their families, our basic social institutions. Far from what was intended by the Court, *Molina* has become a strait-jacket, forcing all sizes to fit into and be bound by it. Wittingly or unwittingly, the Court, in conveniently applying *Molina*, has allowed diagnosed sociopaths, schizophrenics, nymphomaniacs, narcissists and the like, to continuously debase and pervert the sanctity of marriage[.][30] (Citations omitted)

---

[27] *Id*. at 820, citing *Aurelio v. Aurelio*, 665 Phil. 693 (2011) [Per *J*. Peralta, Second Division].

[28] *Ngo Te v. Yu-Te*, 598 Phil. 666, 669 (2009) [Per *J*. Nachura, Third Division].

[29] *Id*. at 696.

[30] *Id*. at 695-696.

In 2015, *Kalaw v. Fernandez*[31] echoed *Ngo Te*:

The [*Molina*] guidelines have turned out to be rigid, such that their application to every instance practically condemned the petitions for declaration of nullity to the fate of certain rejection. But Article 36 of the Family Code must not be so strictly and too literally read and applied given the clear intendment of the drafters to adopt its enacted version of "less specificity'' obviously to enable "some resiliency in its application." Instead, every court should approach the issue of nullity "not on the basis of a priori assumptions, predilections or generalizations, but according to its own facts" in recognition of the verity that no case would be on "all fours" with the next one in the field of psychological incapacity as a ground for the nullity of marriage; hence, every "trial judge must take pains in examining the factual milieu and the appellate court must, as much as possible, avoid substituting its own judgment for that of the trial court."[32] (Citation omitted)

II

The *Molina* guidelines have spurred emphasis on the importance of expert testimony. For example, *Hernandez v. Court of Appeals*,[33] citing the second *Molina* guideline, explained:

It must be shown that these acts are manifestations of a disordered personality which make private respondent completely unable to discharge the essential obligations of the marital state, and not merely due to private respondent's youth and self-conscious feeling of being handsome, as the appellate court held. As pointed out in [*Molina*]:

> The root cause of the psychological incapacity must be: (a) medically or clinically identified, (b) alleged in the complaint, (c) sufficiently proven by experts, and (d) clearly explained in the decision. Article 36 of the Family Code requires that the incapacity must be psychological — not physical, although its manifestations and/or symptoms may be physical. The evidence must convince the court that the parties, or one of them, was

---

[31] 750 Phil. 482 (2015) [Per *J*. Bersamin, Special First Division].

[32] *Id*. at 499-500.

[33] 377 Phil. 919 (1999) [Per *J*. Mendoza, Second Division].

> mentally or physically ill to such an extent that the person could not have known the obligations he was assuming, or knowing them, could not have given valid assumption thereof. Although no example of such incapacity need be given here so as not to limit the application of the provision under the principle of *ejusdem generis* . . . nevertheless such root cause must be identified as a psychological illness and its incapacitating nature fully explained. Expert evidence may be given by qualified psychiatrists and clinical psychologists.
>
> Moreover, expert testimony should have been presented to establish the precise cause of private respondent's psychological incapacity, if any, in order to show that it existed at the inception of the marriage. The burden of proof to show the nullity of the marriage rests upon petitioner. The Court is mindful of the policy of the 1987 Constitution to protect and strengthen the family as the basic autonomous social institution and marriage as the foundation of the family. Thus, any doubt should be resolved in favor of the validity of the marriage.[34] (Citations omitted)

It has, however, been subsequently clarified that expert findings on either of the spouses' psychological incapacity obtained from direct, personal examination is not an absolute and indispensable requirement. Drawing on the nature of marriage as a relation between two individuals, *Camacho-Reyes v. Reyes-Reyes*[35] emphasized that information obtained from either party to the marriage may suffice to inform an expert's assessment:

> The lack of personal examination and interview of the respondent, or any other person diagnosed with personality disorder, does not per se invalidate the testimonies of the doctors. Neither do their findings automatically constitute hearsay that would result in their exclusion as evidence.
>
> For one, marriage, by its very definition, necessarily involves only two persons. The totality of the behavior of one spouse during the cohabitation and marriage is generally and genuinely witnessed mainly by the other. In this case, the experts testified on their individual

---

[34] *Id.* at 931-932.

[35] 642 Phil. 602 (2010) [Per *J.* Nachura, Second Division].

assessment of the present state of the parties' marriage from the perception of one of the parties, herein petitioner. Certainly, petitioner, during their marriage, had occasion to interact with, and experience, respondent's pattern of behavior which she could then validly relay to the clinical psychologists and the psychiatrist.

For another, the clinical psychologists' and psychiatrist's assessment were not based solely on the narration or personal interview of the petitioner. Other informants such as respondent's own son, siblings and in-laws, and sister-in-law (sister of petitioner), testified on their own observations of respondent's behavior and interactions with them, spanning the period of time they knew him. These were also used as the basis of the doctors' assessments.[36] (Citations omitted)

Marcos v. Marcos[37] categorically stated that psychological incapacity is ultimately determined by the totality of evidence. It is not necessarily negated by perceived imperfections in expert findings, or even by total non-examination of the person alleged to be psychologically incapacitated:

Psychological incapacity, as a ground for declaring the nullity of a marriage, may be established by the totality of evidence presented. There is no requirement, however, that the respondent should be examined by a physician or a psychologist as a conditio sine qua non for such declaration.[38]

Commenting on the *Molina* guidelines, *Marcos* further explained:

The foregoing guidelines *do not require that a physician examine the person to be declared psychologically incapacitated*. In fact, the root cause may be "medically or clinically identified." What is important is the presence of evidence that can adequately establish the party's psychological condition. For indeed, *if the totality of evidence presented is enough to sustain a finding of psychological incapacity, then actual medical examination of the person concerned need not be resorted to*.[39] (Citations omitted, emphasis supplied)

---

[36] *Id*. at 627.

[37] 397 Phil. 840 (2000) [Per *J*. Panganiban, Third Division].

[38] *Id*. at 842.

[39] *Id*. at 850.

Informed by these evolving standards in Article 36 cases — and, in the process, itself evolving these standards as well — jurisprudence has become more receptive to varying manifestations of psychological incapacity.

Some marriages, which this Court saw as warranting a declaration of nullity, stand out for the rather prodigious narratives involved (even as some proportions were not quite literally immense). They involved egregious examples of a spouse's being psychologically incapacitated.

For example, *Chi Ming Tsoi v. Court of Appeals*,[40] involved "the senseless and protracted refusal of one of the parties"[41] to engage in sexual relations throughout the entire duration spanning their marriage to their *de facto* separation. This Court found these circumstances to be indicative of "the gravity of the failed relationship in which the parties found themselves[,] trapped in its mire of unfulfilled vows and unconsummated marital obligations[.]"[42]

Antonio v. Reyes,[43] involved a pathological liar who: (1) concealed to her spouse how she previously bore a son (and instead introduced him to her spouse as her family's adopted child); (2) fabricated a tale about her brother-in-law attempting to rape and kill her; (3) misrepresented herself to be a psychiatrist; (4) falsely introduced herself as a singer in whose honor a luncheon show was held (even going to the extent of presenting a supposed invitation); (5) invented two (2) non-existent friends and sent letters in their names to her spouse; (6) altered her pay slip to inflate her income; and (7) falsely claimed that a living room set purchased at a public market was obtained from a famous furniture dealer.[44]

---

[40] 334 Phil. 294 [Per *J.* Torres, Jr., Second Division].

[41] *Id.* at 303.

[42] *Id.* at 305.

[43] *Antonio v. Reyes*, 519 Phil. 337 (2006) [Per *J.* Tinga, Third Division].

[44] *Id.* at 344-345.

Tani-De La Fuente v. De La Fuente[45] involved a husband noted to be suffering from paranoid personality disorder. He feared that his 15-year-old cousin was his wife's lover and thus, poked a gun at his head. Further, he made a sex slave out of his wife — having sex with her as much as five (5) times a day, and forcing to see her during lunch break just to have sex. In a heated argument in front of their children, he poked a gun at his wife's head.[46]

The marriages involved in some recent cases decided by this Court have involved manifestations of psychological incapacity which were of somewhat lesser notoriety. Without meaning to discount the gravity of circumstances in those cases, it is nevertheless a reasonable observation that recent jurisprudence has exhibited a greater willingness to admit psychological incapacity in cases that evoked far less bizarre narratives.

Resolved in 2015, *Kalaw* saw this Court reverse itself after ruling in 2011[47] that no declaration of nullity was availing. This involved an allegation by the husband regarding the wife's "immaturity and irresponsibility towards [him] and their children during their co-habitation, as shown by [the wife]'s following acts:

"1. she left the children without proper care and attention as she played mahjong all day and all night;

2. she left the house to party with male friends and returned in the early hours of the following day; and

3. she committed adultery on June 9, 1985, which act Tyrone discovered in flagrante delicto."[48] (Citation omitted)

In reversing itself, this Court showed a keener understanding of how the wife's fixation with gambling was far from innocuous:

---

[45] 807 Phil. 31 (2017) [Per *J*. Leonen, Second Division].

[46] *Id*. at 34-35.

[47] *Kalaw v. Fernandez*, 673 Phil. 460 (2011) [Per *J*. Del Castillo, First Division].

[48] *Id*. at 463.

The frequency of the respondent's mahjong playing should not have delimited our determination of the presence or absence of psychological incapacity. Instead, the determinant should be her obvious failure to fully appreciate the duties and responsibilities of parenthood at the time she made her marital vows. Had she fully appreciated such duties and responsibilities, she would have known that bringing along her children of very tender ages to her mahjong sessions would expose them to a culture of gambling and other vices that would erode their moral fiber.

Nonetheless, the long-term effects of the respondent's obsessive mahjong playing surely impacted on her family life, particularly on her very young children. We do find to be revealing the disclosures made by Valerio Teodoro Kalaw — the parties' eldest son — in his deposition, whereby the son confirmed the claim of his father that his mother had been hooked on playing mahjong[.]

. . . .

The respondent revealed her wanton disregard for her children's moral and mental development. This disregard violated her duty as a parent to safeguard and protect her children, as expressly defined under Article 209 and Article 220 of the Family Code[.][49] (Citation omitted)

In *Camacho-Reyes*,[50] this Court remarked that:

[The husband's] pattern of behavior manifests an inability, nay, a psychological incapacity to perform the essential marital obligations as shown by his: (1) sporadic financial support; (2) extra-marital affairs; (3) substance abuse; (4) failed business attempts; (5) unpaid money obligations; (6) inability to keep a job that is not connected with the family businesses; and (7) criminal charges of estafa.[51]

In *Azcueta v. Republic*,[52] the wife alleged that her husband was "emotionally immature, irresponsible and continually failed

---

[49] *Kalaw v. Fernandez*, 750 Phil. 482, 515-517 (2015) [Per *J*. Bersamin, Special First Division].

[50] 642 Phil. 602 (2010) [Per *J*. Nachura, Second Division].

[51] *Id*. at 632-633.

[52] 606 Phil. 177 (2009) [Per *J*. Leonardo-de Castro, First Division].

to adapt himself to married life[.]"[53] Specifically, he was noted to have "never bothered to look for a job and instead always asked his mother for financial assistance."[54] Further, the place where they resided was secured by her mother-in-law, who also paid rent. At one point, the husband claimed to have found a job, but was only spending time at his parents' residence. When confronted, he explained that he pretended to have a job so that his wife "would stop nagging him[.]"[55] The spouses' sex life was also said to be "unsatisfactory[,]"[56] with them having sex only once a month and the wife "never enjoy[ing] it."[57] The husband was also charged with inflicting violence on his wife when he got drunk.[58]

In concluding that the husband was psychologically incapacitated, this Court explained:

> We likewise cannot agree with the [Court of Appeals] that Rodolfo's irresponsibility and overdependence on his mother can be attributed to his immaturity or youth. We cannot overlook the fact that at the time of his marriage to petitioner, he was nearly 29 years old or the fact that the expert testimony has identified a grave clinical or medical cause for his abnormal behavior.
>
> . . . .
>
> Rodolfo is evidently unable to comply with the essential marital obligations embodied in Articles 68 to 71 of the Family Code. As noted by the trial court, as a result of Rodolfo's dependent personality disorder, he cannot make his own decisions and cannot fulfill his responsibilities as a husband. Rodolfo plainly failed to fulfill the marital obligations to live together, observe mutual love, respect, support under Article 68. Indeed, one who is unable to support himself, much less a wife; one who cannot independently make decisions regarding

---

[53] *Id*. at 181.

[54] *Id*.

[55] *Id*. at 182.

[56] *Id*.

[57] *Id*.

[58] *Id*.

even the most basic and ordinary matters that spouses face everyday; one who cannot contribute to the material, physical and emotional well-being of his spouse is psychologically incapacitated to comply with the marital obligations within the meaning of Article 36.[59]

Republic v. Mola Cruz[60] concerned a wife who started giving her husband the "cold treatment"[61] and was later confirmed to have been in an extra-marital affair with a Japanese national. The wife left her husband, although they later reconciled. Sometime after, however, the husband found his wife's Japanese lover in their residence and, to his surprise, was introduced by his wife to her lover as her elder brother. The wife would again leave the husband and ultimately cohabit with her lover. The wife was found to be suffering from histrionic personality disorder. This Court explained:

It is true that sexual infidelity and abandonment are grounds for legal separation. It may be noted, however, that the courts a quo duly connected such aberrant acts of Liezl as actual manifestations of her histrionic personality disorder. A person with such a disorder was characterized as selfish and egotistical, and demands immediate gratification. These traits were especially reflected in Liezl's highly unusual acts of allowing her Japanese boyfriend to stay in the marital abode, sharing the marital bed with his Japanese boyfriend and introducing her husband as her elder brother, all done under the threat of desertion. Such blatant insensitivity and lack of regard for the sanctity of the marital bond and home cannot be expected from a married person who reasonably understand the principle and responsibilities of marriage.[62] (Citation omitted)

III

In keeping with contemporary standards on appraising Article 36 cases, this Court finds that the Court of Appeals and Regional

---

[59] *Id*. at 197-198.

[60] G.R. No. 236629, July 23, 2018 <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64585> [Per *J*. Gesmundo, Third Division].

[61] *Id*.

[62] *Id*.

Trial Court erred in failing to appreciate that respondent's condition was attended by gravity, juridical antecedence, and incurability, thereby warranting a declaration that her marriage to petitioner is void.

Witnesses recounted several damaging occurrences and circumstances. None of these were ever successfully rebutted.

First, respondent was unable to settle in a single residence with her and petitioner's son for a sufficiently prolonged duration. After getting married, she initially opted to stay in Pampanga, and not with her parents in Bulacan, because of strained relations with her parents. Shortly after giving birth, however, she would opt to live with her parents. Things would not work out with respondent's father and petitioner would have to make arrangements for respondent to stay with his sister in Quezon City.[63] Respondent would, nevertheless, find her way back to Bulacan where petitioner would endeavor to find her and their son upon his return. She would, however, leave Bulacan again to cohabit with another person.[64]

Second, respondent did not only squander whatever meager support petitioner could muster. Worse, she kept entreating him for more money on the pretense that it was for their son. At one particularly glaring instance, she offered no concrete justification and simply said that she was in "deep trouble."[65]

Third, for no apparent and justifiable reason, respondent distanced herself from petitioner. While he was still abroad, she changed her mobile number in rapid succession.[66] Upon his return, she never bothered to see or communicate with him. After petitioner took their son with him, she never communicated with petitioner or bothered to see their son.[67]

---

[63] *Rollo*, p. 223.

[64] *Id*. at 224.

[65] *Id*.

[66] *Id*.

[67] *Id*.

Fourth, she engaged in an extra-marital affair, abandoning not only petitioner, but also her son.[68]

Lastly, she was utterly indifferent both to petitioner and her son. She never objected to, questioned, or acted on her parents' allowing petitioner to take their son. She showed no remorse when finally, she saw petitioner. To the contrary, she would even cast the blame on him for "abandoning"[69] her and working abroad. After their confrontation, she would never bother to see their son.[70]

Even without technical examination by a psychologist, the gravity of respondent's quagmire and her utter inability to fulfill essential marital obligations are plain to see. This gravity is further highlighted when juxtaposed with similar conditions and circumstances of abandonment, squandering, apathy, and dejection seen in such cases as *Kalaw*,[71] *Camacho-Reyes*,[72] *Azcueta*,[73] and *Mola Cruz*.[74]

Respondent showed herself utterly incapable of "liv[ing] together, observ[ing] mutual love, respect and fidelity, and render[ing] mutual help and support"[75] with her husband. She let petitioner carry the burden of support all to himself, making things even worse by squandering whatever support he rendered when he was abroad, and ultimately abandoning their son to petitioner. She left petitioner and her son to their own devices in utter and callous disregard of her obligations under Articles 70 and 220 of the Family Code:

---

[68] *Id*.

[69] *Id*.

[70] *Id*.

[71] 750 Phil. 482 (2015) [Per *J*. Bersamin, Special First Division].

[72] 642 Phil. 602 (2010) [Per *J*. Nachura, Second Division].

[73] 606 Phil. 177 (2009) [Per *J*. Leonardo-de Castro, First Division].

[74] G.R. No. 236629, July 23, 2018 <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64585> [Per *J*. Gesmundo, Third Division].

[75] FAMILY CODE, Art. 68.

ARTICLE 70. The spouses are jointly responsible for the support of the family. The expenses for such support and other conjugal obligations shall be paid from the community property and, in the absence thereof, from the income or fruits of their separate properties. In case of insufficiency or absence of said income or fruits, such obligations shall be satisfied from their separate properties.

ARTICLE 220. The parents and those exercising parental authority shall have with respect to their unemancipated children or wards the following rights and duties:

(1) To keep them in their company, to support, educate and instruct them by right precept and good example, and to provide for their upbringing in keeping with their means;

(2) To give them love and affection, advice and counsel, companionship and understanding;

(3) To provide them with moral and spiritual guidance, inculcate in them honesty, integrity, self-discipline, self-reliance, industry and thrift, stimulate their interest in civic affairs, and inspire in them compliance with the duties of citizenship;

(4) To furnish them with good and wholesome educational materials, supervise their activities, recreation and association with others, protect them from bad company, and prevent them from acquiring habits detrimental to their health, studies and morals;

(5) To represent them in all matters affecting their interests;

(6) To demand from them respect and obedience;

(7) To impose discipline on them as may be required under the circumstances; and

(8) To perform such other duties as are imposed by law upon parents and guardians.

Further to the undisputed facts and incidents just recalled, Dr. Manrique's findings confirmed the extent of respondent's debility. By identifying her as suffering from schizoid personality disorder, and manifesting maladaptive behavioral patterns,[76] Dr. Manrique's report medically identified the root cause of her psychological incapacity, and explored how she has been

[76] *Rollo*, p. 224.

rendered incapable of fulfilling essential marital obligations. Thus, her lack of interest in social relationships — though not as grave as the degree manifested in schizophrenia[77] —prevents her from developing strong attachments and from staying in relationships. Her maladaptive behavioral patterns affect her impulse control and makes her susceptible to mood changes. This "invariably strain[s]"[78] her relationships and results in her lacking empathy and concern.[79]

The same report explored and explained how respondent's condition had its onset in early childhood. Thus, it was already attendant when she and petitioner were married in February 2005. Moreover, it noted that her condition is not only "chronic and long lasting."[80] Worse, that same condition drives respondent to avoid seeking treatment, thereby aggravating her imperviousness to recovery. Also, since her condition inheres in her, it is a debility that she does not suffer specifically with respect to petitioner only.

For clarity, it is worth quoting Dr. Manrique's report at length:

> From the interviews and tests administered to the subjects, the relatives of the couple, as well as from the results of the community investigation conducted by the undersigned psychologist, it is clear that Mari Kris Santos-Calma, has manifested patterns of behavior compatible with a person suffering from <u>SCHIZOID PERSONALITY DISORDER</u>.
>
> Often described as a 'loner' or an eccentric, the schizoid personality shows lack of interest in social relationships. Kris' emotions of people appear shallow or blunted but not to the degree found in schizophrenia. People with this personality disorder see[m] rarely, if ever, to experience strong anger, joy or sadness.
>
> Although Kris prefer[s] to remain distant from others, she remains in better contact with reality than do schizophrenics. Kris' [face], as

---

[77] *Id.* at 230.

[78] *Id.* at 231.

[79] *Id.*

[80] *Id.*

all others who suffer from the same personality disorder, rarely show[s] emotional expression and rarely exchange[s] smiles or nod with others. Women with schizoid personality disorder are more rarely *(sic)* to passively accept romantic advances. They seldom develop strong attachments with their partners, but their sexual desires are very strong. Women with this disorder are more likely to experiment sexual relationships that stay in a heterosexual relationship, as what happened in this case.

The personality profile of MARI KRIS SANTOS-CALMA, showing that she suffers from *personality disorder* and *psychological incapacity* in the performance of her marital obligations were further confirmed.

In comparing the data gathered from the standard patterns of behavior, it is clear that MARI KRIS SANTOS-CALMA manifest[s] *MALADAPTIVE BEHAVIORAL PATTERNS* which [affect] her *IMPULSE CONTROL*, and *MOOD CHANGE*. Interpersonal relations are invariably strained *(sic)* her demands and by her lack of empathy and concern for her husband. She is keenly sensitive to criticism and may feel angry by any hint that she is not as special as she fancies herself to be.

The PERSONALITY DISORDER of MARI KRIS SANTOS-CALMA, have had [sic] its onset during her early adulthood stage. In this particular case, it was found that it started during the time that she was turning 16 years old.

Her *disorder is chronic and long lasting, being a development defect*. It stemmed from the formation of inflexible traits, which are responsible for the lifelong maladaptive behavior a person. Moreover, the disorder involves psychological factors of long duration so that a major therapeutic endeavor is needed only to suppress the manifestations of the disorder.

MARI KRIS SANTOS-CALMA, suffering from a personality disorder also suffers from *PSYCHOLOGICAL INCAPACITY* in the performance of her marital obligations. She [i]s incapable of giving love and support to her husband and has no sense of responsibility towards family.

Likewise, MARI KRIS SANTOS-CALMA, suffering from *psychological incapacity* lacks insight of her deficit, such that she feels comfortable with her maladaptive ways. As such, she never seeks treatment and [is] impervious to recovery. Since her

[p]sychological [i]ncapacity towards her marital obligations is the product of her personality disorder, it is therefore considered to be a *PERMANENT and INCURABLE* defect of the personality functioning. No amount of therapy and counseling could cure the incapacity but the same can only suppress the manifestations of the disorder. MARI KRIS SANTOS-CALMA's psychological incapacity is *NOT-RELATIVE* to her present relationship. It will be hard for the subject to establish and maintain relationships with any other partner.

. . . .

MARI KRIS SANTOS-CALMA has brought great strain to the marriage and had exposed her husband and son to severe mental and emotional torture. There seems to be a significant impairment in her cognition, affectivity, and interpersonal relationships. Her actions are clear indications of her poor conscience development and inadequate moral development, which reflect personality disorder and psychological incapacity.[81] (Emphasis and underscoring in the original)

Pressed for further details on his findings, Dr. Manrique explained that, when she was being examined, respondent gave evasive, "shadow" answers.[82] These answers confirmed her apathy and incapacity for interpersonal attachment. Dr. Manrique also noted that these confirmed respondent's condition as deep-seated, anchored in paternal relations:

During the clinical interview that was conducted with the respondent[,] there were questions that were asked from her and she gave answers that were awash with the shadow of probable irrelevant[,] for example, when asked what do you think of marriage? Her answer was, I don't think about marriage. What do you think about your sexual relationship with your husband? Her answer was, it is not important that she has [a] sexual relationship with her husband. So that these are shadow answers, these are just examples of the answers that were given as to the point in the discovery of the root cause obtaining to the lack of fatherly love. It is very clear in the examination of the respondent as well the interviews that she hated her father. The hate was really on [a] higher degree than we, psychologists, would not even consider it as normal anymore.[83]

---

[81] *Id*. at 230-231.

[82] *Id*. at 45.

[83] *Id*. at 45-46.

The Regional Trial Court and the Court of Appeals were myopic, zeroing in only on Dr. Manrique's supposed inadequacies. It is unfortunate that they were so dismissive of those findings and, ultimately, of petitioner's cause.

Even without Dr. Manrique's report, however, other pieces of evidence indisputably point to the extent of respondent's debility. Dr. Manrique's findings bolster these by proffering not only a medically grounded understanding of respondent's condition that explored its causes, historical persistence, and prospects of being alleviated. In giving little regard to Dr. Manrique's findings, the Regional Trial Court and the Court of Appeals appear to have disregarded how jurisprudence has settled that, though not an absolute and indispensable requirement, expert findings deserve great weight when they are available. In *Ngo Te*:[84]

> By the very nature of Article 36, courts, despite having the primary task and burden of decision-making, must not discount but, instead, must consider as decisive evidence the expert opinion on the psychological and mental temperaments of the parties.[85] (Citation omitted)

Consistent with how the totality of evidence should ultimately inform any determination of whether a marriage should be declared void pursuant to Article 36 of the Family Code, as well as with judicial wisdom expressed in contemporary jurisprudence that has more keenly and openly understood the myriad manifestations of psychological incapacity, this Court finds that petitioner successfully discharged his burden of demonstrating respondent's psychological incapacity. It was error for the Regional Trial Court and the Court of Appeals to insist on the validity and subsistence of the parties' marriage.

It was clear from the onset how respondent was unsuited to fulfill the essential obligations of marriage. She was unable to settle in what should have been a common abode with her spouse

---

[84] *Ngo Te v. Yu-Te*, 598 Phil. 666 (2009) [Per *J*. Nachura, Third Division].

[85] *Id*. at 700.

and son. She never contributed to and even squandered resources for their family's subsistence and her child's rearing. She scoffed at petitioner's effort to support their family; gaslighting him with the claim that he abandoned her. Ever unsatisfied, she would come to a point when she would not even offer a proper explanation for imploring more money. In the face of her husband's fortitude and beneficence, she would leave him for another partner. Worse, she only seemed all too satisfied to abandon their son's rearing to her husband.

As cited in *Kalaw*:

> [T]he fulfilment of the constitutional mandate for the State to protect marriage as an inviolable social institution only relates to a valid marriage. No protection can be accorded to a marriage that is null and void *ab initio*, because such a marriage has no legal existence.[86] (Citations omitted)

It is not an affront to the institution of marriage to rule that marriages, which are so utterly devoid of the spouses' capacity to fulfill the basic purposes of entering into a shared, loving life [87] — such as those subject of this case — are no marriages at all. By declining recognition to them as valid, the state is able to limit marriage only to those relations that can be true to marriage's purposes. Quite contrary to being an affront, "[i]n declaring a marriage null and void *ab initio*. . . . the Courts really assiduously defend and promote the sanctity of marriage

---

[86] *Kalaw v. Fernandez*, 750 Phil. 482, 501 (2015) [Per *J.* Bersamin, Special First Division], citing CONST., Art. XV, Sec. 2, and *Camacho-Reyes v. Reyes-Reyes*, 642 Phil. 602 (2010) [Per *J.* Nachura, Second Division].

[87] In *J.* Leonen, Dissenting Opinion in *Mallillin v. Jamesolamin*, 754 Phil. 158, 203 (2015) [Per *J.* Mendoza, Second Division]:

> The notion of "permanent" is not a characteristic that inheres without a purpose. The Family Code clearly provides for the purpose of entering into marriage, that is, "for the establishment of conjugal and family life." Consequently, the state's interest in protecting the marriage must anchor on ensuring a sound conjugal union capable of maintaining a healthy environment for a family, resulting in a more permanent union. The state's interest cannot extend to forcing two individuals to stay within a destructive marriage.

as an inviolable social institution. The foundation of our society is thereby made all the more strong and solid."[88]

WHEREFORE, the petition is **GRANTED**. The June 21, 2018 Decision and August 22, 2018 Resolution of the Court of Appeals in CA-G.R. CV No. 109155 are **REVERSED and SET ASIDE**. The marriage of Jeffrey M. Calma with respondent Mari Kris Santos-Calma is declared **NULL and VOID**.

SO ORDERED.

Gesmundo, Carandang, Zalameda, and *Lopez,*[*] *JJ.*, concur.

SECOND DIVISION

[G.R. No. 247589. August 24, 2020]

ROBERT PLAN, JR. *y* BELONCIO @ "JUN", and MARK OLIVER ENOLVA *y* DICTADO @ "MARK", *petitioners*, *vs.* **PEOPLE OF THE PHILIPPINES,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; CRIMINAL PROCEDURE; APPEALS; IN CRIMINAL CASES, AN APPEAL THROWS THE ENTIRE CASE FOR REVIEW.—** [I]t must be stressed that in criminal cases, an appeal throws the entire case wide open for review and the reviewing tribunal can correct errors, though unassigned in the appealed judgment, or even reverse the trial court's decision based on grounds other than those that the parties raised as errors. The appeal confers the appellate court

---

[88] *Kalaw v. Fernandez*, 750 Phil. 482, 501 (2015) [Per *J*. Bersamin, Special First Division].

[*] Designated additional Member per raffle dated June 8, 2020.

full jurisdiction over the case and renders such court competent to examine records, revise the judgment appealed from, **increase the penalty, and cite the proper provision of the penal law**."

2. **ID.; EVIDENCE; CREDIBILITY OF WITNESSES; FACTUAL FINDINGS OF THE TRIAL COURT ARE GENERALLY ACCORDED RESPECT ON APPEAL.—** [I]t should be noted that the trial court was in the best position to assess and determine the credibility of the witnesses presented by both parties. Hence, since there is no indication that the said court overlooked, misunderstood, or misapplied the surrounding facts and circumstances of the case, the Court finds no reason to deviate from its factual findings.

3. **CRIMINAL LAW; REPUBLIC ACT NO. 9165 (COMPREHENSIVE DANGEROUS DRUGS ACT); ILLEGAL POSSESSION OF DANGEROUS DRUGS; ELEMENTS THEREOF, PRESENT IN THE CASE AT BAR.—** To convict an accused for Illegal Possession of Dangerous Drugs, the prosecution must establish the necessary elements thereof, to wit: (*a*) the accused was in possession of an item or object identified as a prohibited drug; (*b*) such possession was not authorized by law; and (*c*) the accused freely and consciously possessed the said drug.

4. **ID.; ID.; ID.; THE IDENTITY OF THE DANGEROUS DRUG AS THE *CORPUS DELICTI* ITSELF MUST BE ESTABLISHED.—** [I]n cases for Illegal Possession of Dangerous Drugs under RA 9165, it is essential that the identity of the dangerous drug be established with moral certainty, considering that the dangerous drug itself forms an integral part of the *corpus delicti* of the crime. Failing to prove the integrity of the *corpus delicti* renders the evidence for the State insufficient to prove the guilt of the accused beyond reasonable doubt which therefore warrants an acquittal.

5. **ID.; ID.; CHAIN OF CUSTODY RULE; REQUIRED WITNESSES UNDER REPUBLIC ACT NO. 9165 AND REPUBLIC ACT NO. 10640.—** [T]o establish the identity of the dangerous drug with moral certainty, the prosecution must be able to account for each link of the chain of custody from the moment the drugs are seized up to their presentation in court as evidence of the crime. Thus, as part of the chain of

custody procedure, the apprehending team is mandated, immediately after seizure and confiscation, to conduct a physical inventory and to photograph the seized items in the presence of the accused or the person from whom the items were seized, or his representative or counsel, as well as certain required witnesses, namely: (*a*) if *prior* to the amendment of RA 9165 by RA I0640, a representative from the media *AND* the Department of Justice (DOJ), *AND* any elected public official; or (*b*) if *after* the amendment of RA 9165 by RA 10640 an elected public official *AND* a representative of the National Prosecution Service *OR* the media. The presence of these witnesses safeguards the establishment of the chain of custody and removes any suspicion of switching, planting, or contamination of evidence.

6. **ID.; ID.; INSTANCES TO QUALIFY POSSESSION OF ILLEGAL DRUGS AS WARRANTING THE IMPOSITION OF STIFFER PENALTIES.—** [T]o qualify possession of illegal drugs as warranting the imposition of stiffer penalties pursuant to Section 13, Article II of RA 9165, with which petitioners were charged, such possession must have occurred: (*a*) during a party; ***or*** (*b*) at a social gathering or meeting; ***or*** (*c*) in the proximate company of at least two (2) persons.

7. **ID.; ID.; ID.; THE PHRASE "COMPANY OF AT LEAST TWO (2) PERSONS," DEFINED.—** As may be gleaned from the explicit wording of [Section 13, Article II, R.A. No. 9165], nowhere does the law qualify that the above-stated instances must have been intended for the purpose of using illegal drugs. In fact, under Section 13, Article II of the Implementing Rules and Regulations (IRR) of RA 9165, the phrase "**company of at least two (2) persons**" was defined to "mean the accused or suspect plus at least two (2) others, who may or may not be in possession of any dangerous drug." This means that the only qualification for the provision to trigger is that the accused or suspect possessed illegal drugs in the proximate company of such persons who may or may not be in possession of any dangerous drugs. With the foregoing in mind, the CA therefore unduly restricted the meaning of the phrase "**in the proximate company of at least two (2) persons**" in Section 13, Article II of RA 9165 to merely contemplate "pot sessions." In this regard, the Court discerns that the apparent purpose of Section 13, Article II of RA 9165 is to deter the proliferation of prohibited

drugs to other persons. Possession of dangerous drugs is a crime in itself; but when the possessor is found in a situation where there is a tendency or opportunity to proliferate drugs to other persons, either through direct peddling or even some indirect influence, the gravity of the crime is exacerbated. In addition, when one possesses dangerous drugs, there is always a chance that the possessor uses and consequently, becomes "under the influence." Thus, in the circumstances stated in Section 13, Article II of RA 9165, the possessor does not only become an imminent threat to his own safety and well-being, but also to other people within his close proximity; hence, the stiffer penalties.

APPEARANCES OF COUNSEL

Public Attorney's Office for petitioners.
Office of the Solicitor General for respondent.

R E S O L U T I O N

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[1] are the Decision[2] dated December 12, 2018 and the Resolution[3] dated May 24, 2019 of the Court of Appeals (CA) in CA-G.R. CR No. 41149, which affirmed with modification the Joint Decision[4] dated December 27, 2017 of the Regional Trial Court of Quezon City, Branch 81 (RTC) in Crim. Case Nos. QZN-17-04462-63, finding petitioners Robert Plan, Jr. *y* Beloncio @ "Jun" (Plan) and Mark Oliver Enolva *y* Dictado @ "Mark" (Enolva; collectively, petitioners), guilty beyond reasonable doubt for violation of Section 11, Article II of Republic Act

---

[1] *Rollo*, pp. 11-28.

[2] *Id.* at 33-53. Penned by Associate Justice Apolinario D. Bruselas, Jr. with Associate Justices Myra V. Garcia-Fernandez and Geraldine C. Fiel-Macaraig, concurring.

[3] *Id.* at 55-56.

[4] *Id.* at 80-87. Penned by Presiding Judge Madonna C. Echiverri.

No. (RA) 9165,[5] otherwise known as the "Comprehensive Dangerous Drugs Act of 2002."

The Facts

This case stemmed from two (2) separate Informations[6] filed before the RTC charging petitioners with the crime of Possession of Dangerous Drugs During Parties, Social Gatherings or Meetings, as defined and penalized under Section 13,[7] Article II of RA 9165.

The prosecution alleged that on March 31, 2017, members of the Philippine National Police, Police Station 7, Cubao, Quezon City, were dispatched to conduct Oplan Galugad at 33 1st Palanas St., Bo. Camp Panopio Compound, Brgy. Kaunlaran, Quezon City, after receiving information about persons playing *cara y cruz* where wagers supposedly included illegal drugs. Upon arrival thereat, they saw five (5) male persons playing *cara y cruz* and immediately arrested said persons for violation of Presidential Decree No. (PD) 1602 (Illegal Gambling).[8] Arresting officer PO1 Stanley de Guzman (PO1 de Guzman) frisked petitioners and recovered from each of them a plastic sachet containing white crystalline substance, as well as two (2) cellphones purportedly containing messages about

---

[5] Entitled "AN ACT INSTITUTING THE COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002, REPEALING REPUBLIC ACT NO. 6425, OTHERWISE KNOWN AS THE DANGEROUS DRUGS ACT OF 1972, AS AMENDED, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES," approved on June 7, 2002.

[6] The Information dated April 3, 2017 in Crim. Case No. QZN-17-04462 was against Plan, while the Information of even date in Crim. Case No. QZN-17-04463 was against Enolva; see records, pp. 4-5 and 10-11.

[7] Section 13. *Possession of Dangerous Drugs during Parties, Social Gatherings or Meetings*. — Any person found possessing any dangerous drug during a party, or at a social gathering or meeting, or in the proximate company of at least two (2) persons, shall suffer the maximum penalties provided for in Section 11 of this Act, regardless of the quantity and purity of such dangerous drugs.

[8] Entitled "PRESCRIBING STIFFER PENALTIES ON ILLEGAL GAMBLING," approved on June 11, 1978.

drug transactions. Thereafter, the seized items were marked, inventoried, and photographed at the place of arrest in the presence of Barangay Kagawad Nenita Dordas (Kgd. Dordas), and media representatives Earlo Bringas[9] of Net 25 (Bringas), Jopel Pelenio of DWIZ (Pelenio), and Bam Alegre of GMA 7[10] (Alegre). Petitioners and the other suspects,[11] together with the seized items, were brought to the police station. Subsequently, the seized sachets from petitioners bearing the markings "SDG/ RP 3/31/17" and "SDG/ME 3/31/17"[12] were brought to the crime laboratory,[13] where, after examination,[14] the contents tested positive for 6.10 grams and 0.71 gram, respectively, of methamphetamine hydrochloride or *shabu*, a dangerous drug.[15]

In defense, petitioners denied the charges against them, claiming that on March 31, 2017, Enolva was on his way home to Bulacan when the gear of his motorcycle became loose. Unable to find an auto repair shop (*talyer*), he went to the house of his *kumpare*, Plan, to have his motorcycle fixed. While they were repairing the motorcycle outside Plan's house, several persons wearing civilian clothes suddenly appeared, poked their guns at them, ordered them to raise their hands, and frisked them. While nothing was found on their persons, they were arrested and brought to the police station along with three (3) other persons they did not know.[16]

In a Joint Decision[17] dated December 27, 2017, the RTC found petitioners guilty beyond reasonable doubt of violating Section

---

[9] "Erlo Brings" in some parts of the record.

[10] See *rollo*, pp. 36-37.

[11] Who pleaded guilty to the offense of violation of PD 1602 before the Metropolitan Trial Court of Quezon City, Branch 35; see *id.* at 37.

[12] See *id.*

[13] See Request for Laboratory Examination dated April 1, 2017; records, p. 29.

[14] See Chemistry Report No. D-565-17 dated April 1, 2017; *id.* at 26.

[15] See *rollo*, pp. 34-37 and 80-82.

[16] See *id.* at 38 and 82.

[17] *Id.* at 80-87.

13, Article II of RA 9165, sentencing Plan to a term of twenty (20) years and one (1) day, and a fine of ₱400,000.00, and Enolva to a term of twelve (12) years and one (1) day, and a fine of ₱300,000.00.[18] It gave credence to the positive testimonies of the prosecution witnesses over petitioners' defense of denial,[19] and found the prosecution to have ensured the security and integrity of the police operations and of the seized items.[20]

In a Decision[21] dated December 12, 2018, the CA affirmed the RTC ruling with the modification: (*a*) finding petitioners guilty beyond reasonable doubt, instead, of violating Section 11, Article II of RA 9165; and (*b*) applying the Indeterminate Sentence Law (ISL) in imposing the penalty of imprisonment on Enolva.[22] It observed that the prosecution was able to establish the integrity of the seized items via sufficient compliance with the chain of custody rule concerning the handling of the confiscated illegal drugs from the time of their seizure from petitioners until their presentation in court.[23] However, it ruled that the prosecution failed to establish the necessary element to qualify petitioners' Illegal Possession of Dangerous Drugs to the imposition of the maximum penalties pursuant to Section 13, Article II of RA 9165, *i.e.*, when possessed during a party, social gathering or meeting, or in the proximate company of at least two (2) persons, considering that they were arrested while playing *cara y cruz* with three (3) other persons, and were not shown to have intended to use the illegal drugs while playing.[24] It likewise applied the ISL in imposing the penalty of imprisonment on Enolva for his possession of less than five (5) grams of *shabu*, which is punishable with imprisonment of twelve (12) years

---

[18] See *id.* at 87.

[19] See *id.* at 82-83.

[20] See *id.* at 87.

[21] *Id.* at 33-53.

[22] See *id.* at 52.

[23] See *id.* at 45-46.

[24] See *id.* at 47-48.

and one (1) day to twenty (20) years, and accordingly, imposed on him imprisonment of twelve (12) years and one (1) day, as minimum, to fourteen (14) years and eight (8) months, as maximum.[25]

Petitioners moved for reconsideration which was denied in a Resolution[26] dated May 24, 2019. Hence, this appeal seeking that their conviction be overturned.

The Court's Ruling

The petition is without merit.

"At the outset, it must be stressed that in criminal cases, an appeal throws the entire case wide open for review and the reviewing tribunal can correct errors, though unassigned in the appealed judgment, or even reverse the trial court's decision based on grounds other than those that the parties raised as errors. The appeal confers the appellate court full jurisdiction over the case and renders such court competent to examine records, revise the judgment appealed from, **increase the penalty, and cite the proper provision of the penal law**."[27] Guided by this consideration, the Court modifies the conviction of both petitioners to violation of Illegal Possession of Dangerous Drugs during Parties, Social Gatherings or Meetings, as defined and penalized under Section 13, Article II of RA 9165, as will be explained hereunder.

I.

To convict an accused for Illegal Possession of Dangerous Drugs, the prosecution must establish the necessary elements thereof, to wit: (*a*) the accused was in possession of an item or object identified as a prohibited drug; (*b*) such possession was

---

[25] See *id.* at 50-52.

[26] *Id.* at 55-56.

[27] *Trinidad v. People*, G.R. No. 239957, February 18, 2019, citing *People v. Comboy*, 782 Phil. 187, 196 (2016).

not authorized by law; and (*c*) the accused freely and consciously possessed the said drug.[28]

Here, the courts *a quo* correctly ruled that the prosecution was able to establish with moral certainty all the foregoing elements, considering that: (*a*) by virtue of petitioners' arrest for playing *cara y cruz*, the police officers recovered, among others, two (2) plastic sachets of *shabu* from their possession; (*b*) petitioners failed to prove that their possession of the seized items was authorized by law; and (*c*) petitioners freely and consciously possessed the same. In this regard, it should be noted that the trial court was in the best position to assess and determine the credibility of the witnesses presented by both parties.[29] Hence, since there is no indication that the said court overlooked, misunderstood, or misapplied the surrounding facts and circumstances of the case, the Court finds no reason to deviate from its factual findings.

Further, the Court notes that the police officers sufficiently complied with the chain of custody rule under Section 21, Article II of RA 9165, as amended by RA 10640.[30]

To be sure, in cases for Illegal Possession of Dangerous Drugs under RA 9165, it is essential that the identity of the dangerous

---

[28] See *People v. De Dios*, G.R. No. 243664, January 22, 2020, citing *People v. Crispo*, G.R. No. 230065, March 14, 2018, 859 SCRA 356, 369; *People v. Sanchez*, G.R. No. 231383, March 7, 2018, 858 SCRA 94, 104; *People v. Magsano*, 826 Phil. 947, 959 (2018); *People v. Manansala*, 826 Phil. 578, 586 (2018); *People v. Miranda*, 824 Phil. 1024, 1050 (2018); and *People v. Mamangon*, 824 Phil. 731, 736 (2018), further citing *People v. Bio*, 753 Phil. 730, 736 (2015).

[29] See *Aranas v. People*, G.R. No. 242315, July 3, 2019. See also *Cahulogan v. People*, G.R. No. 225695, March 21, 2018, 860 SCRA 86, 95, citing *Peralta v. People*, 817 Phil. 554, 563 (2017), further citing *People v. Matibag*, 757 Phil. 286, 293 (2015).

[30] Entitled "AN ACT TO FURTHER STRENGTHEN THE ANTI-DRUG CAMPAIGN OF THE GOVERNMENT, AMENDING FOR THE PURPOSE SECTION 21 OF REPUBLIC ACT NO. 9165, OTHERWISE KNOWN AS THE "COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002," approved on July 15, 2014.

drug be established with moral certainty, considering that the dangerous drug itself forms an integral part of the *corpus delicti* of the crime.[31] Failing to prove the integrity of the *corpus delicti* renders the evidence for the State insufficient to prove the guilt of the accused beyond reasonable doubt which therefore warrants an acquittal.[32]

Notably, to establish the identity of the dangerous drug with moral certainty, the prosecution must be able to account for each link of the chain of custody from the moment the drugs are seized up to their presentation in court as evidence of the crime.[33] Thus, as part of the chain of custody procedure, the apprehending team is mandated, immediately after seizure and confiscation, to conduct a physical inventory and to photograph the seized items in the presence of the accused or the person from whom the items were seized, or his representative or counsel, as well as certain required witnesses, namely: (*a*) if *prior* to the amendment of RA 9165 by RA 10640, a representative from the media *AND* the Department of Justice (DOJ), *AND* any elected public official;[34] or (*b*) if *after* the amendment of RA 9165 by RA 10640[35] an elected public

---

[31] *Aranas v. People, supra* note 29. See also *People v. Crispo, supra* note 28, at 369; *People v. Sanchez, supra* note 28, at 104; *People v. Magsano, supra* note 28, at 959; *People v. Manansala, supra* note 28, at 586; and *People v. Miranda, supra* note 28, at 1050; all cases citing *People v. Viterbo*, 739 Phil. 593, 601 (2014).

[32] See *People v. Gamboa*, G.R. No. 233702, June 20, 2018, 867 SCRA 548, 570, citing *People v. Umipang*, 686 Phil. 1024, 1039-1040 (2012).

[33] *Aranas v. People, supra* note 29. See also *People v. Piñero*, G.R. No. 242407, April 1, 2019; *People v. Crispo, supra* note 28, at 369; *People v. Sanchez, supra* note 28, at 104; *People v. Magsano, supra* note 28, at 959; *People v. Manansala, supra* note 28, at 586; *People v. Miranda, supra* note 28, at 1051; *People v. Mamangon, supra* note 28, at 736; and *People v. Viterbo, supra* note 31, at 601.

[34] See Section 21 (1), Article II of RA 9165 and its Implementing Rules and Regulations.

[35] As the Court noted in *People v. Gutierrez* (G.R. No. 236304, November 5, 2018), RA 10640 which was approved on July 15, 2014, states that it shall "take effect fifteen (15) days after its complete publication in at least

official *AND* a representative of the National Prosecution Service[36] *OR* the media.[37] The presence of these witnesses safeguards the establishment of the chain of custody and removes any suspicion of switching, planting, or contamination of evidence.[38]

Records show that after petitioners were arrested on March 31, 2017 — or after RA 10640 took effect — PO1 de Guzman immediately took custody of the illegal drugs from petitioners' possession, and conducted the requisite marking, inventory, and photography thereof, in the presence of an elected public official, Kgd. Dordas, and media representatives, Bringas, Pelenio, and Alegre, right at the place where petitioners were arrested. He retained custody while petitioners, together with the seized items, were brought to the police station,[39] until he brought the seized items to the crime laboratory, and personally turned them over to Police Chief Inspector Bernardo Roque who performed the necessary examination[40] thereon. During

---

two (2) newspapers of general circulation." Accordingly, a copy of the law was published on July 23, 2014 in the respective issues of "The Philippine Star" (Vol. XXVIII, No. 359, Philippine Star Metro section, p. 21) and the "Manila Bulletin" (Vol. 499, No. 23; World News section, p. 6); hence, RA 10640 became effective on August 7, 2014. (See also *People v. Santos*, G.R. No. 243627, November 27, 2019).

[36] Which falls under the DOJ. (See Section 1 of PD 1275, entitled "REORGANIZING THE PROSECUTION STAFF OF THE DEPARTMENT OF JUSTICE AND THE OFFICES OF THE PROVINCIAL AND CITY FISCALS, REGIONALIZING THE PROSECUTION SERVICE, AND CREATING THE NATIONAL PROSECUTION SERVICE" [APRIL 11, 1978] AND SECTION 3 OF RA 10071, entitled "AN ACT STRENGTHENING AND RATIONALIZING THE NATIONAL PROSECUTION SERVICE" OTHERWISE KNOWN AS THE "PROSECUTION SERVICE ACT OF 2010" [lapsed into law on April 8, 2010].)

[37] See Section 21 (1), Article II of RA 9165, as amended by RA 10640.

[38] See *People v. Miranda, supra* note 28, at 1050. See also *People v. Mendoza*, 736 Phil. 749, 761 (2014).

[39] See *rollo*, pp. 36-37 and 81-82.

[40] See Chemistry Report No. D-565-17 dated April 1, 2017; records, p. 26.

the trial, he also positively identified the seized items[41] bearing his initials "SDG/RP 3/31/17" and "SDG/ME 3/31/17."[42] In light of the foregoing, the Court holds that the chain of custody over the seized dangerous drugs remained unbroken, and that the integrity and evidentiary value of the *corpus delicti* have been properly preserved. Perforce, petitioners' conviction must stand.

II.

However, the Court finds that the CA erred in finding petitioners guilty of only Section 11,[43] and not Section 13, Article II of RA 9165, on the notion that while they were playing *cara y cruz* "in the proximate company of at least two (2) persons," it was not shown that such occasion was meant for using drugs, as in a pot session.

Section 13, Article II of RA 9165 reads:

> Section 13. *Possession of Dangerous Drugs during Parties, Social Gatherings or Meetings*. — Any person found possessing any dangerous drug **during a party, or at a social gathering or meeting, or in the proximate company of at least two (2) persons**, shall suffer the maximum penalties provided for in Section 11 of this Act, regardless of the quantity and purity of such dangerous drugs. (Emphasis supplied)

Thus, to qualify possession of illegal drugs as warranting the imposition of stiffer penalties pursuant to Section 13, Article II of RA 9165, with which petitioners were charged, such possession must have occurred: (*a*) during a party; ***or*** (*b*) at a social gathering or meeting; ***or*** (*c*) in the proximate company of at least two (2) persons.[44]

As may be gleaned from the explicit wording of the provision, nowhere does the law qualify that the above-stated instances

---

[41] See *rollo*, p. 46.

[42] See *id.* at 37.

[43] See *id.* at 47.

[44] See *People v. Pavia*, 750 Phil. 871, 879 (2015).

must have been intended for the purpose of using illegal drugs. In fact, under Section 13, Article II of the Implementing Rules and Regulations (IRR) of RA 9165, the phrase "**company of at least two (2) persons**" was defined to "mean the accused or suspect plus at least two (2) others, who may or may not be in possession of any dangerous drug." This means that the only qualification for the provision to trigger is that the accused or suspect possessed illegal drugs in the proximate company of such persons who may or may not be in possession of any dangerous drugs. With the foregoing in mind, the CA therefore unduly restricted the meaning of the phrase "**in the proximate company of at least two (2) persons**" in Section 13, Article II of RA 9165 to merely contemplate "pot sessions."[45]

In this regard, the Court discerns that the apparent purpose of Section 13, Article II of RA 9165 is to deter the proliferation of prohibited drugs to other persons. Possession of dangerous drugs is a crime in itself; but when the possessor is found in a situation where there is a tendency or opportunity to proliferate drugs to other persons, either through direct peddling or even some indirect influence, the gravity of the crime is exacerbated. In addition, when one possesses dangerous drugs, there is always a chance that the possessor uses and consequently, becomes "under the influence." Thus, in the circumstances stated in Section 13, Article II of RA 9165, the possessor does not only become an imminent threat to his own safety and well-being, but also to other people within his close proximity; hence, the stiffer penalties.

In this case, petitioners were found in possession of illegal drugs incidental to their arrest for playing *cara y cruz* with three (3) other persons, or "in the proximate company of at least two (2) persons," warranting the imposition of the maximum penalties

---

[45] The Court has never defined a "pot session." The closest definition is mentioned in *Garcia v. Court of Appeals* (324 Phil. 846, 849 [1996]), where the Information stated that a "pot session" was in violation of Section 27 of RA 6425, the previous law against dangerous drugs. See also *Lapi v. People*, G.R. No. 210731, February 13, 2019.

provided for in Section 11, pursuant to Section 13, Article II of RA 9165. Notably, the imposition of the maximum penalties was expressly stated to be **regardless of the quantity and purity of such dangerous drugs**. Under Section 11, the maximum penalty that may be imposed upon any person who shall possess any dangerous drug without authority is life imprisonment to death, and a fine ranging from ₱500,000.00 to ₱10,000,000.00. Accordingly, the Court sentences petitioners to each suffer the penalty of life imprisonment and a fine of ₱500,000.00.[46] Moreover, petitioners are not eligible for parole pursuant to Section 2 of the ISL.[47]

WHEREFORE, the petition is **DENIED**. The Decision dated December 12, 2018 and the Resolution dated May 24, 2019 of the Court of Appeals in CA-G.R. CR No. 41149 are hereby **AFFIRMED with the modification** finding petitioners Robert Plan, Jr. *y* Beloncio @ "Jun" and Mark Oliver Enolva *y* Dictado @ "Mark" **GUILTY** beyond reasonable doubt of violating Section 13, Article II of Republic Act No. 9165. Accordingly, they are sentenced to each suffer the penalty of life imprisonment, without eligibility for parole, and a fine in the amount of ₱500,000.00.

SO ORDERED.

Hernando, Inting, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla,[*] *J.*, on official leave.

---

[46] See *People v. Pavia, supra* note 44, at 872-873; and the Court's Resolution in *People v. Crispo*, G.R. No. 202684, August 3, 2015.

[47] See *People v. Obias*, G.R. No. 222187, March 25, 2019; and the Court's Resolution in *People v. Crispo, id.*

THIRD DIVISION

[G.R. No. 248204. August 24, 2020]

PEOPLE OF THE PHILIPPINES, *petitioner*, *vs.* **JONATHAN JUARIZO EVARDONE,** *respondent.*

SYLLABUS

1. **CRIMINAL LAW; ROBBERY WITH RAPE; CASE AT BAR. —** Under Article 294, paragraph 1 of the RPC, as amended by Republic Act No. (R.A.) 7659, prescribes the penalty of *reclusion perpetua* to death when by reason of, or on the occasion of the robbery, the same was accompanied by rape. Thus, to be convicted of the special complex crime of Robbery with Rape, the original intent of the accused was to take, with intent to gain, the personal property of the victim, and rape was just committed on the occasion thereof. In this case, the prosecution was able to prove that accused-appellant's original intent was to rob AAA as evidenced by the fact that when accused-appellant approached AAA, he suddenly poked a knife at AAA's neck, declared a hold-up and took her cellphone. The fact that the prosecution was not able to show any receipt of the cellphone does not negate the fact that AAA was robbed.

2. **REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; NOT AFFECTED BY MINOR INCONSISTENCIES IN TESTIMONIES.—** The arguments of the accused-appellant that AAA's testimony was marred with inconsistencies especially as to where the three incidents of rape happened cannot be considered to reverse accused-appellant's conviction. It is well-settled that minor inconsistencies in the testimony of the victim does not automatically discredit the credibility of the witness. It should be borne in mind that minor inconsistencies are to be expected when a victim recalls her harrowing and traumatic experience which are commonly too painful and agonizing to recount, especially in a courtroom setting. Further, inconsistencies on inconsequential matters that has nothing to do on the elements of the crime cannot result to the acquittal of the accused-appellant. Whether the first rape happened down the canal or beside the car, or where the

succeeding rapes happened, the same fact still rings through, that accused-appellant indeed committed the atrocious act on AAA. The place where the rape was committed is not an essential element of the crime. AAA was consistent that accused-appellant raped her three times on the morning of August 12, 2011.

3. **CRIMINAL LAW; RAPE; PHYSICAL RESISTANCE NEED NOT BE ESTABLISHED WHERE RAPE VICTIM WAS THREATENED OR INTIMIDATED TO SUBMISSION. —** [T]he lack of resistance of AAA cannot be taken as evidence that rape was not committed. Physical resistance to a rape need not be established where it is shown that the rape victim was threatened or intimidated into submission by the assailant. Here, AAA was consistent in her testimony that accused-appellant was armed with a knife when he committed the atrocious act. We cannot ascribe to AAA a uniform reaction to a rape incident. Some may offer strong resistance while others may be too intimidated to offer any resistance at all. After all, resistance is not an element of rape and its absence does not negate AAA's claim that the accused-appellant consummated his bestial act.

4. **REMEDIAL LAW; DENIAL AND ALIBI; CANNOT PREVAIL AS AGAINST THE POSITIVE IDENTIFICATION BY THE VICTIM.—** Since the prosecution was able to prove beyond reasonable doubt that accused-appellant committed the crime, the latter's denial and alibi cannot be considered by this Court, especially in light of the positive identification of AAA. Accused-appellant claimed that he was at the wake of a certain Lydia Flores from 7:00 p.m. of August 11, 2011 until 5:00 a.m. of August 12, 2011. After they left the wake they went in Sitio Broadway to eat *lugaw*. However, based on the testimony of accused-appellant and his friend, Jomar, the place of the incident, the place of the wake and the place where they ate *lugaw* are all in the same barangay. Accused-appellant was not able to show that it is physically impossible for him to be at the place of the incident on the time of the incident. Thus, his alibi cannot be considered by this Court. Be it noted that denial and alibi are inherently weak defenses which can easily be concocted and fabricated.

5. **CRIMINAL LAW; ROBBERY WITH RAPE; PENALTY AND DAMAGES.—** Under Article 294, paragraph 1 of the RPC, states that the penalty of *reclusion perpetua* to death is to be

imposed when on the occasion of the robbery, a rape was committed. Article 63 of the RPC provides that when the penalty is composed of two indivisible penalties and there is neither aggravating nor mitigating circumstance is present, the lesser penalty is to be imposed. In this case, since no mitigating or aggravating circumstance is present, the penalty of *reclusion perpetua* should be imposed. While it is true that the CA, correctly imposed the penalty of *reclusion perpetua*, the inclusion of the phrase "without the eligibility for parole" is erroneous. As such, said phrase should be deleted. Under A.M. No. 15-08-02-SC, the phrase "without the eligibility for parole" is used to emphasize that the accused-appellant should have been sentenced to suffer the penalty of death had it not been for R.A. 9346. In this case, however, accused-appellant is only sentenced to suffer the penalty of *reclusion perpetua* since there is no aggravating circumstance that is alleged in the Information and proven during the trial in order to impose the supreme penalty of death. Corollarily, the award of ₱100,000.00 as moral damages, ₱100,000.00 as civil indemnity and ₱100,000.00 as exemplary damages should be reduced to ₱75,000.00. As provided for in *People v. Jugueta*, in special complex crimes such as Robbery with Rape and the penalty is only *reclusion perpetua* the civil indemnity, moral damages and exemplary damages is ₱75,000.00. As to the other two counts of rape that was committed by the accused-appellant, the CA acquitted accused-appellant of the said crimes not because of reasonable doubt or lack of evidence but because accused-appellant cannot be convicted separately of the two counts of rape committed by reason of or on the occasion of the robbery. The two counts of rape committed on the occasion of the robbery are absorbed by one composite crime of Robbery with Rape. While the two counts of rape cannot be treated as an aggravating circumstance for increasing the penalty, they can however be considered for the entitlement of the victim for additional damages. x x x Accordingly, AAA should be awarded for additional ₱75,000.00 civil indemnity, ₱75,000.00 moral damages and ₱75,000.00 exemplary damages for the other two incidents of rape.

ZALAMEDA, *J.*, *separate opinion*:

CRIMINAL LAW; AGGRAVATING CIRCUMSTANCES; IGNOMINY; MAY BE APPRECIATED IF ALLEGED IN

THE INFORMATIONS OF THE ABSORBED COMPONENT CRIMES.— [I]f an aggravating circumstance was alleged under the Information of an absorbed component crime, can courts consider the accused as having been informed of this aggravating circumstance? I answer in the affirmative. In robbery with multiple rapes, **all the rapes are merged in the composite, integrated whole** comprising the single crime of robbery with rape, so long as the rapes accompanied the robbery. Thus, it cannot be denied that the accused had already been informed, *in writing*, of the acts and circumstances alleged in the other Informations before the component rapes were absorbed. Necessarily, the allegations in the Informations for the component rapes should likewise be considered as integrated into the Information for robbery with rape because the purpose of Section 8, Rule 110 had been satisfied. Ultimately, **the accused remains sufficiently informed of the acts and circumstances with which he is being charged**. x x x In the present case, all charges under the three (3) Informations should also be considered as merged into one (1) special indivisible crime of robbery with rape, which necessarily includes the allegations of aggravating circumstances.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.
Public Attorney's Office for respondent.

D E C I S I O N

CARANDANG, *J.*:

Jonathan Juarizo Evardone (accused-appellant) appealed the Decision[1] dated April 3, 2019 of the Court of Appeals (CA) in CA-G.R. CR-HC No. 08988 affirming with modification the Decision[2] dated November 17, 2016 of the Regional Trial Court

---

[1] Penned by Associate Justice Marie Christine Azcarraga-Jacob with the concurrence of Associate Justices Remedios A. Salazar-Fernando and Henri Jean Paul B. Inting (now a member of this Court); *rollo*, pp. 3-20.

[2] Penned by Presiding Judge Gengos-Ignalaga; CA *rollo*, pp. 43-55.

(RTC) of Antipolo City, Branch 100 in Criminal Case Nos. 11-43069 to 11-43071 finding accused-appellant guilty of the crime of Robbery with Rape as provided for under Article 294, paragraph 1 of the Revised Penal Code (RPC).

Accused-appellant was charged with Robbery with Rape under Article 294, paragraph 1 of the Revised Penal Code (RPC) and two counts of Rape under Article 266-A of the RPC in the following separate Information, to wit:

Criminal Case No. 11-43069

That on or about the 12th day of August 2011, in the City of Antipolo, Philippines and within the jurisdiction of this Honorable Court, the above-named accused, conspiring and confederating with a male person whose true name, identity and present whereabout is still unknown, and both of them mutually helping and aiding one another, with intent to gain and by means of force, violence and intimidation, did then and there, willfully, unlawfully and feloniously take, rob, and divest [AAA],[3] her cellular phone, money and jewelry, against her will and consent, with lewd design and by means of force, threat and intimidation, did then and there, willfully, unlawfully, and feloniously have sexual intercourse with said [AAA], against her will and consent.

CONTRARY TO LAW.[4]

Criminal Case No. 11-43070

That on or about the 12th day of August 2011, in the City of Antipolo, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, conspiring and confederating with a male person whose true name, identity and present whereabout is still unknown, and both of them mutually helping and aiding one another, with lewd design, and by means of force, threat, and intimidation, with the use of a knife did then and there willfully, unlawfully, and feloniously

---

[3] The real name of the victim and of the members of her immediate family are withheld pursuant to Republic Act No. 7610 otherwise known as the "*Special Protection of Children against Abuse, Exploitation and Discrimination Act*" and A.M. No. 12-7-15-SC entitled "*Protocols and Procedures in the Promulgation, Publication, and Posting on the Websites of Decisions, Final Resolutions and Final Orders Using Fictitious Names*."

[4] CA *rollo*, p. 44.

have sexual intercourse with one AAA, while on a sitting position against her will and consent.

CONTRARY TO LAW.[5]

Criminal Case No. 11-43071

That on or about the 12th day of August 2011, in the City of Antipolo, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, conspiring and confederating with a male person whose true name, identity and present whereabout is still unknown, and both of them mutually helping and aiding one another, with lewd design, and by means of force, threat and intimidation, with the use of a knife, did, then and there willfully, unlawfully, and feloniously have sexual intercourse with one AAA, who was ordered to bend over against her will and consent.

CONTRARY TO LAW.[6]

The prosecution established that on August 12, 2011 around 4:30 p.m., AAA was walking along NHA Avenue towards the jeepney terminal to go to work, when suddenly two persons, one of whom was later identified as accused-appellant while the other person was never identified, approached AAA and poked a knife at her and declared a hold-up.[7]

Accused-appellant and the other person grabbed AAA's cellphone worth ₱500.00. When a tricycle passed by, AAA shouted for help but the tricycle driver did not stop.[8]

AAA was able to run but accused-appellant caught up with her. Accused-appellant then grabbed AAA's collar and he asked her if she was a woman. Accused-appellant then pulled her to the side of a red car, then he put his hands under AAA's shirt and mashed her breast. Accused-appellant then said "*babae ka pala, sige na, humiga ka na*." He pointed the knife against

---

[5] *Id*.

[6] *Id*.

[7] *Id*. at 45.

[8] *Id*.

her left neck and forced her to lie down in the canal. There, accused-appellant, inserted his penis inside AAA's vagina.[9]

While accused-appellant was ravishing her, he said to AAA, "*diba taga-Sitio Broadway ka? May girlfriend ka? Dalhin mo dito, titirahin ko din*." Since accused-appellant and AAA cannot fit in the canal, the former ordered AAA to go back up the canal and to the side of the car. There, he ordered AAA to bend over and inserted his penis into AAA's vagina for the second time. Accused-appellant tried to stab AAA but the latter was able to parry the stab and was wounded on her right thumb. Thereafter, accused-appellant told her "*Pasensiya ka na, hindi naman ako masamang tao, natalo lang sa sugal at nakabatak lang*."[10]

Accused-appellant's companion said "*Pare, tama na yan kasi magliliwanag na*." Accused-appellant replied "*sandali na lang to, isa na lang*." Thereafter, accused-appellant ordered AAA to go down the canal again, where for the third time, he inserted his penis inside AAA's vagina.[11] When the criminal act was done, accused-appellant threatened AAA not to report him to the police and that if AAA would get pregnant, she should look for him.[12]

When accused-appellant and his male companion left, AAA put on her shorts and hurriedly went home. AAA left her panty and her boxer shorts in the crime scene.[13]

When AAA arrived home, she told her ordeal to her brothers, sister and mother. Her brothers went to the crime scene to investigate, while AAA and her sister went to the police station to report the incident.[14]

---

[9] *Id.*; TSN dated March 11, 2014, pp. 6-7.

[10] *Id.*

[11] *Id.*

[12] *Rollo*, p. 6.

[13] CA *rollo*, p. 45.

[14] *Id.*

AAA was examined and her Medico-Legal examination states:

Findings:

Hymen: presence of deep healing laceration of 6 and 9 o'clock positions with erythema and laceration at the fossa navicularis about 0.5 cms. Erythematous labia minor is noted.

External physical injuries: 1. Incised wound, right thumb, measuring 2x0.2 cms., 1 cm. medial to its ant. Midline. 2. Incised wound, right middle finger, measuring 1x0.1 cms., 1 cm. medial to its ant. Midline.

x x x x x x x x x

Conclusion:

Medical evaluation shows recent evidence of blunt penetrating trauma to the hymen, Barring unforeseen complications, above external physical injuries will heal in less than 9 days.[15]

AAA, together with her sister, went to their aunt who lived in a house where a wake was being held at the time of the incident. There, AAA relayed the physical description of accused-appellant. AAA claimed that accused-appellant was wearing black shirt and shorts pants and that his chin was long or "*patulis na baba*."[16]

The gay neighbor of AAA's aunt, gave four names, one of which is herein accused-appellant. On August 14, 2011, those four persons, including accused-appellant, were called in the barangay. At the barangay hall, AAA identified herein accused-appellant as the one who raped her.[17]

BBB, AAA's sister, testified that on August 12, 2011, around 5:00 a.m., AAA went home crying and informed them that she was robbed and raped. BBB described that AAA was wet and dirty.[18]

---

[15] *Id*. at 51.

[16] *Id*. at 45.

[17] *Id*. at 46.

[18] *Id*. at 45.

Accused-appellant testified that on August 12, 2011, he was at the wake of a certain Lydia Flores in Sampaguita Street, Brgy. Dela Paz, Antipolo City from 7 p.m. of August 11, 2011 until 5:00 a.m. of August 12, 2011. Accused-appellant was with his friends, namely, Randolph Felicedario, Jericho Lepata, Jomar Caranto, and Cyrus Ramirez. After they left the wake, they decided to eat *lugaw* in Sitio Broadway and stayed there for more than half hour and then they went home.[19]

On August 14, 2011, he and his friends were invited in the Barangay Hall. They were asked to stand up and a woman who was crying pointed at him. He did not say anything and they were allowed to go home. After two years, or on 2013, he was arrested.[20]

Jomar Caranto testified that they were at the wake of Lydia Flores from 6:30 p.m. of August 11, 2011 until 5:00 a.m. of August 12, 2011. After they left the wake, they rested for a few minutes in the corner of Banico Street. Thereafter, they proceeded in Sitio Broadway to eat *lugaw*. Around 6:30 a.m., they went home.[21]

Jomar testified that they met Nick, who they later found out was AAA's brother, asking them if they saw any suspicious man in the area. In Jomar's cross-examination, he admitted that in order to reach Sitio Broadway, they had to pass NHA Avenue and Lukban Street.[22]

On November 17, 2016, the RTC convicted accused-appellant of all the crimes he was charged, thus:

WHEREFORE, on the basis of the foregoing, judgment is hereby rendered finding accused Jonathan Juarizo Evardone guilty of the [crime] Robbery with Rape under Article 294, par. 1 of the Revised Penal Code as amended by R.A. 7659 and he is hereby sentenced to

---

[19] *Id*. at 46.

[20] *Id*.

[21] *Id*.

[22] *Id*.

suffer the penalty of *Reclusion Perpetua* for Criminal Case No. 11-43069.

For Criminal Case Nos. 11-43070 and 11-43071, judgment is hereby rendered finding accused Jonathan Juarizo Evardone guilty of the TWO COUNTS of Rape under Article 266-A, No. 2, in relation to Article 266-B, 2nd paragraph of the Revised Penal Code, as amended by R.A. 8353, and he is hereby sentenced to suffer the penalty of reclusion perpetua for each count.

Accused is ordered to pay private complainant AAA the amount of ₱75,000.00 as civil indemnity and ₱75,000.00 as moral damages.

The preventive imprisonment of accused Jonathan Juarizo Evardone is credited in his favor.

SO ORDERED.[23]

On April 3, 2019, the CA affirmed with modification the conviction of the accused-appellant, to wit:

WHEREFORE, all premises considered, the instant appeal is PARTLY GRANTED.

Accordingly, the Decision dated 17 November 2016 of the Regional Trial Court, Branch 100, Antipolo City is hereby MODIFIED as follows:

(1) Insofar as Criminal Case Nos. 11-43070 and 11-43071 are concerned, appellant is ACQUITTED of the charge of two (2) counts of simple rape under Article 266-A of the Revised Penal Code.

(2) With respect to Criminal Case No. 11-43069 convicting appellant of robbery with rape under Article 294, paragraph 1 of the Revised Penal Code, the same is AFFIRMED. However, the penalty imposed is reclusion perpetua without eligibility for parole.

(3) Appellant is ORDERED to pay exemplary damages in the amount of ₱100,000.00, in addition to the awards of moral damages and civil indemnity which are increased to ₱100,000.00.

---

[23] *Id*. at 55.

(4) Finally, pursuant to the pronouncement in Nacar v. Gallery Frames and Felipe Bordey, Jr., appellant is further ORDERED to pay legal interest on all awarded damages at 6% per annum from the filing of the Information on 18 October 2011 until the finality of this Decision, and another 6% per annum from such finality until full payment.

SO ORDERED.[24] (Emphasis and italics in the original)

The CA acquitted the accused-appellant on the two counts of rape since Article 294 of the RPC is not limited to a single victim or one instance of rape. In *People v. Seguis*,[25] the crime of Robbery with Rape covers multiple rapes accompanying the robbery and all the rapes shall be merged in a single crime of robbery with rape.

Accused-appellant argues that the testimony of AAA is incredible and grossly inconsistent with human experience to be believable. The prosecution failed to prove the robbery beyond reasonable doubt. AAA's testimony is marred with inconsistencies. In AAA's affidavit, she claimed that her phone, money and jewelry were taken before the alleged rape happened.[26] During AAA's testimony, she claimed that only her cellphone was taken. Then, in her re-direct testimony, she claimed that her jewelry was also taken. The prosecution was not able to prove the stolen articles, it failed to present any receipt, photographic evidence or corroborating testimony of the existence of the cellphone and jewelry. Further, the prosecution failed to prove the incidents of rape.[27] AAA in her affidavit stated that the first rape happened beside the car, the second is down the canal and third was beside the car again. Also, during the third incident of rape, accused-appellant attempted to stab AAA but the latter was able to deflect the attack and was only wounded in her right thumb.[28] However,

---

[24] *Rollo*, p. 19.

[25] 402 Phil. 584 (2001).

[26] CA *rollo*, p. 27.

[27] *Id*. at 28-29.

[28] *Id*. at 30.

during AAA's testimony, she relayed that the first incident happened at the canal, then the second was beside the car, and the third incident was at the canal. Likewise, AAA testified that the attempt to stab her happened during the second incident of rape.[29]

Accused-appellant also questions AAA's lack of resistance or instinct to escape even though there were moments that she could escape without danger to herself. Also, despite the fact that the place of incident was well-lit, AAA failed to identify the male companion of accused-appellant.[30] Further, accused-appellant argues that it is possible that AAA mistook the identity of the accused-appellant as her assailant. It could not be dismissed that the assailant has the same features and clothes as accused-appellant.[31]

Issue

The issues to be resolved in this petition is whether accused-appellant is guilty of the crime of Robbery with Rape.

Ruling of the Court

The conviction is affirmed with modification as to penalty.

Central in accused-appellant's arguments in reversing his conviction is the credibility of the victim AAA in relating the crime. Accused-appellant argues that AAA's affidavit stating that her phone, money and jewelry were taken before the alleged rape happened. During AAA's testimony, she claimed that only her cellphone was taken. Then, in her re-direct testimony, she claimed that her jewelry was also taken. Also, AAA in her affidavit stated that the first rape happened beside the car, the second is down the canal and third was beside the car again. Also, during the third incident of rape, accused-appellant attempted to stab AAA but the latter was able to deflect the

---

[29] *Id*. at 30-31.

[30] *Id*. at 35.

[31] *Id*. at 37.

attack and was only wounded in her right thumb. However, during AAA's testimony, she relayed that the first incident happened at the canal, then the second was beside the car, and the third incident was at the canal. Likewise, AAA testified that the attempt to stab her happened during the incident of rape.

Time and again, this Court has reiterated that the credibility of witnesses is a question best addressed by the trial court because of its opportunity to observe their demeanor while testifying on the stand, an opportunity denied to the appellate courts. In this case, accused-appellant was not able to show Us any good reason from deviating with the findings of the RTC and the CA that the testimony of AAA is credible, natural, convincing, consistent and supported by the evidence on the record.

Under Article 294, paragraph 1 of the RPC, as amended by Republic Act No. (R.A.) 7659, prescribes the penalty of *reclusion perpetua* to death when by reason of, or on the occasion of the robbery, the same was accompanied by rape. Thus, to be convicted of the special complex crime of Robbery with Rape, the original intent of the accused was to take, with intent to gain, the personal property of the victim, and rape was just committed on the occasion thereof. In this case, the prosecution was able to prove that accused-appellant's original intent was to rob AAA as evidenced by the fact that when accused-appellant approached AAA, he suddenly poked a knife at AAA's neck, declared a hold-up and took her cellphone. The fact that the prosecution was not able to show any receipt of the cellphone does not negate the fact that AAA was robbed.[32]

The prosecution was also able to prove that on the occasion of the robbery, AAA was raped by accused-appellant. The testimony of AAA that she was raped was supported by the Medico-Legal Report. The arguments of the accused-appellant that AAA's testimony was marred with inconsistencies especially as to where the three incidents of rape happened cannot be

---

[32] *People v. Belmonte*, 813 Phil. 240, 246 (2017), citing *People v. Tamayo*, 434 Phil. 642 (2002).

considered to reverse accused-appellant's conviction. It is well-settled that minor inconsistencies in the testimony of the victim does not automatically discredit the credibility of the witness.[33] It should be borne in mind that minor inconsistencies are to be expected when a victim recalls her harrowing and traumatic experience which are commonly too painful and agonizing to recount, especially in a courtroom setting. Further, inconsistencies on inconsequential matters that has nothing to do on the elements of the crime cannot result to the acquittal of the accused-appellant. Whether the first rape happened down the canal or beside the car, or where the succeeding rapes happened, the same fact still rings through, that accused-appellant indeed committed the atrocious act on AAA. The place where the rape was committed is not an essential element of the crime. AAA was consistent that accused-appellant raped her three times on the morning of August 12, 2011.[34]

Likewise, the lack of resistance of AAA cannot be taken as evidence that rape was not committed. Physical resistance to a rape need not be established where it is shown that the rape victim was threatened or intimidated into submission by the assailant. Here, AAA was consistent in her testimony that accused-appellant was armed with a knife when he committed the atrocious act. We cannot ascribe to AAA a uniform reaction to a rape incident. Some may offer strong resistance while others may be too intimidated to offer any resistance at all. After all, resistance is not an element of rape and its absence does not negate AAA's claim that the accused-appellant consummated his bestial act.[35]

Accused-appellant's argument that he was mistaken as the assailant because AAA might have confused his appearance with that of the real assailant is incredulous. Be it noted that AAA testified that accused-appellant's face was familiar to

---

[33] See *People v. Cabralan,* 682 Phil. 164 (2012).

[34] *People v. Alipio*, 618 Phil. 38, 48 (2009).

[35] *People v. Arnaiz*, 538 Phil. 479, 517 (2006).

her but she does not know his name. Also, AAA testified that when accused-appellant was raping her, she was looking at his face. The natural reaction of victims of a crime is to strive to know the identity of their assailants by looking at their appearance, features, and movements and observing the manner the crime was perpetrated to create a lasting impression that could not be erased easily in their memory. In this case, aside from the fact that AAA pointed at accused-appellant among the four persons presented in the barangay hall, she was consistent during trial in pointing the accused-appellant as the person who robbed and raped her.

Since the prosecution was able to prove beyond reasonable doubt that accused-appellant committed the crime, the latter's denial and alibi cannot be considered by this Court, especially in light of the positive identification of AAA. Accused-appellant claimed that he was at the wake of a certain Lydia Flores from 7:00 p.m. of August 11, 2011 until 5:00 a.m. of August 12, 2011. After they left the wake they went in Sitio Broadway to eat *lugaw*. However, based on the testimony of accused-appellant and his friend, Jomar, the place of the incident, the place of the wake and the place where they ate *lugaw* are all in the same barangay. Accused-appellant was not able to show that it is physically impossible for him to be at the place of the incident on the time of the incident. Thus, his alibi cannot be considered by this Court. Be it noted that denial and alibi are inherently weak defenses which can easily be concocted and fabricated.

Nevertheless, the penalty prescribed by the CA and the damages awarded need to be modified in keeping with the recent jurisprudence and the rules.

Under Article 294, paragraph 1 of the RPC, states that the penalty of *reclusion perpetua* to death is to be imposed when on the occasion of the robbery, a rape was committed. Article 63 of the RPC provides that when the penalty is composed of two indivisible penalties and there is neither aggravating nor mitigating circumstance is present, the lesser penalty is to be imposed. In this case, since no mitigating or aggravating

circumstance is present, the penalty of *reclusion perpetua* should be imposed.

While it is true that the CA, correctly imposed the penalty of *reclusion perpetua*, the inclusion of the phrase "without the eligibility for parole" is erroneous. As such, said phrase should be deleted. Under A.M. No. 15-08-02-SC, the phrase "without the eligibility for parole" is used to emphasize that the accused-appellant should have been sentenced to suffer the penalty of death had it not been for R.A. 9346. In this case, however, accused-appellant is only sentenced to suffer the penalty of *reclusion perpetua* since there is no aggravating circumstance that is alleged in the Information and proven during the trial in order to impose the supreme penalty of death.

Corollarily, the award of ₱100,000.00 as moral damages, ₱100,000.00 as civil indemnity and ₱100,000.00 as exemplary damages should be reduced to ₱75,000.00. As provided for in *People v. Jugueta*,[36] in special complex crimes such as Robbery with Rape and the penalty is only *reclusion perpetua* the civil indemnity, moral damages and exemplary damages is ₱75,000.00.

As to the other two counts of rape that was committed by the accused-appellant, the CA acquitted accused-appellant of the said crimes not because of reasonable doubt or lack of evidence but because accused-appellant cannot be convicted separately of the two counts of rape committed by reason of or on the occasion of the robbery. The two counts of rape committed on the occasion of the robbery are absorbed by one composite crime of Robbery with Rape.

While the two counts of rape cannot be treated as an aggravating circumstance for increasing the penalty, they can however be considered for the entitlement of the victim for additional damages. As held in the case of *Jugueta*, it is provided that:

---

[36] 783 Phil. 806 (2016).

IV. For Special Complex Crimes like Robbery with Homicide, Robbery with Rape, Robbery with Intentional Mutilation, Robbery with Arson, Rape with Homicide, Kidnapping with Murder, Carnapping with Homicide or Carnapping with Rape, Highway Robbery with Homicide, Qualified Piracy, Arson with Homicide, Hazing with Death, Rape, Sodomy or Mutilation and other crimes with death, injuries, and sexual abuse as the composite crimes, where the penalty consists of indivisible penalties:

1.1 Where the penalty imposed is Death but reduced to *reclusion perpetua* because of RA 9346:
a. Civil indemnity — ₱100,000.00
b. Moral damages — ₱100,000.00
c. Exemplary damages — ₱100,000.00

x x x x x x x x x

2.1 Where the penalty imposed is *reclusion perpetua*, other than the above-mentioned:
a. Civil indemnity — ₱75,000.00
b. Moral damages — ₱75,000.00
c. Exemplary damages — ₱75,000.00

x x x x x x x x x

Where the component crime is rape, the above Rules shall likewise apply, and that for every additional rape committed, whether against the same victim or other victims, the victims shall be entitled to the same damages unless the other crimes of rape are treated as separate crimes, in which case, the damages awarded to simple rape/qualified rape shall apply.[37] (Emphasis supplied)

Further, awarding AAA ₱75,000.00 civil indemnity, ₱75,000.00 moral damages and ₱75,000.00 exemplary damages each for the other two incidents of rape is consistent with the ruling of this Court in *People v. Candelario*.[38] The accused in this case was charged with the crime of Robbery with Multiple Rape since the accused rape the victim multiple times. This Court convicted the accused with a single crime of Robbery with Rape but the victim was awarded additional damages to

[37] *Id*. at 850-852 (2016).

[38] 370 Phil. 506 (1999).

the victim for each count of the rape committed on the victim. Also in the case of *People v. Antonio Ortiz*,[39] the accused was also charged with Robbery with Multiple Rape where the four accused took turns in raping the victim. This Court convicted the accused with a single crime of Robbery with Rape but also awarded the victim damages for each incident of rape committed upon her by the four accused.

Accordingly, AAA should be awarded for additional ₱75,000.00 civil indemnity, ₱75,000.00 moral damages and ₱75,000.00 exemplary damages for the other two incidents of rape.

WHEREFORE, premises considered, the instant appeal is **DISMISSED**. The Decision dated April 3, 2019 of the Court of Appeals in CA-G.R. CR-HC No. 08988 is hereby **AFFIRMED with MODIFICATION**.

Accordingly, in Criminal Case No. 11-43069, accused-appellant Jonathan Juarizo Evardone is found **GUILTY** beyond reasonable doubt of the crime of Robbery with Rape under Article 294, paragraph 1 of the Revised Penal Code and is hereby sentenced to suffer the penalty of *reclusion perpetua*.

Accused-appellant Jonathan Juarizo Evardone is **ORDERED** to pay AAA the amount of ₱75,000.00 as moral damages, ₱75,000.00 as exemplary damages and ₱75,000.00 as civil indemnity for each count of the three (3) incidents of rape committed. He is likewise **ORDERED** to pay a legal interest of six percent (6%) on the total amount of damages computed from the finality of this judgment until full payment thereof.

SO ORDERED.

Leonen (Chairperson), Gesmundo, and *Gaerlan, JJ.*, concur.

Zalameda, J., see separate opinion.

---

[39] 614 Phil. 625 (2009).

SEPARATE OPINION

ZALAMEDA, ***J.*:**

I join the *ponencia* in upholding accused-appellant's conviction for the special complex crime of Robbery with Rape. Nonetheless, I write to convey my views on the *ponencia's* modification of the penalty.

The Informations sufficiently alleged the aggravating circumstance of ignominy

With due respect, I agree with the penalty imposed by the CA. The Informations sufficiently alleged an aggravating circumstance to justify the imposition of ***reclusion perpetua*** **without eligibility for parole**.[1] To recall, the Informations specifically stated that AAA was raped not only "while in a sitting position" but was also "ordered to bend over against her will and consent."[2]

---

[1] *Guidelines for the Proper Use of the Phrase "Without Eligibility for Parole" in Indivisible Penalties*, A.M. No. 15-08-02-SC, 4 August 2015.

[2] The Informations for Criminal Case Nos. 11-43070 and 11-43071 read:

Criminal Case No. 11-43070

That on or about the 12th day of August 2011, in the City of Antipolo, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, conspiring and confederating with a male person whose true name, identity and present whereabout[s] is still unknown, and both of them mutually helping and aiding one another, with lewd design, and by means of force, threat and intimidation, with the use of a knife, did, then and there, willfully, unlawfully, and feloniously, have sexual intercourse with one [AAA], **while on a sitting position** against her will and consent.

CONTRARY TO LAW.

Criminal Case No. 11-43071

That on or about the 12th day of August 2011, in the City of Antipolo, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, conspiring and confederating with a male person whose true name, identity and present whereabout[s] is still unknown, and both of them mutually helping and aiding one another, with lewd design, and by means of force, threat and intimidation, with the use of a knife, did, then

In *People v. Alfanta*,[3] the Court held that the sexual position employed during rape may be considered as an aggravating circumstance. In an act of rape where the perpetrator enters the victim from behind, the means employed was ruled to add ignominy to the natural effects of the act, *viz.*:

> With respect to ignominy, the victim testified that after appellant had inserted his penis into her vagina, appellant ordered her to lie face down and while in that position had his penis into her anus. Thereafter, he ordered her to lie down again and this time he inserted his finger inside her. The Solicitor General correctly invoked the case of *People vs. Saylan*, where this Court said: The trial court held that there was ignominy because the appellant used not only the missionary position, i.e., male superior, female inferior, but also 'the same position as dogs do' i.e., entry from behind. The appellant claims there was no ignominy because 'The studies of many experts in the matter have shown that this 'position' is not novel and has repeatedly and often been resorted to by couples in the act of copulation.' This may well be if the sexual act is performed by consenting partners but not otherwise.
>
> Article 14, paragraph 17, of the Revised Penal Code considers to be an aggravating circumstance any means employed or circumstance brought about which add ignominy to the natural effects of the act. The circumstance, it is said, pertains to the moral order and adds disgrace and obloquy to the material injury caused by the crime.[4]

The Informations herein specifically described with particularity accused-appellant's act of raping AAA from behind. The conscious use of this position in committing the crime of rape unnecessarily added ignominy, humiliation, and disgrace to AAA's suffering. Thus, this aggravating circumstance may be properly appreciated in the imposition of penalty.

---

and there, willfully, unlawfully, and feloniously, have sexual intercourse with one [AAA], who was **ordered to bend over against her will and consent**.

CONTRARY TO LAW. (Emphases supplied)

[3] *People v. Alfanta y Alo*, G.R. No. 125633, 09 December 1999, 378 Phil. 95-122 (1999).

[4] *Id*.

Further, the manner and means employed by accused-appellant in the rape incidents were fully established during trial. The CA considered AAA's straightforward account as to how she was raped by the accused multiple times on occasion of the robbery:

Q. And after that, you said that he pulled you towards the parked vehicle[.] [W]hat did Jonathan do next?
A. When he said "*babae ka pala*," he lay me down on the canal.

Q. Did you follow his order?
A. Yes, ma'am[,] because his knife was pointed on the left side of my neck.

Q. When you lay down[,] what did he do?
A. In [sic] inserted his penis to my vagina.

Q. When he ordered you to lie down and before he inserted his penis into your vagina, what[,] if any[,] did he order you?
A. He told me "*babae ka pala, sige na humiga ka na*."

Q. And you said he inserted his penis into your vagina, what did you feel?
A. It was painful.

Q. And while he was doing that, what was he saying to you[,] if any?
A. He said, "*di ba taga-Sitio Broadway ka? May girlfriend ka? Dalhin mo dito, titirahin ko din*."

x x x x x x x x x

Q. When you were on top of the canal, what did he do next?
A. Pinatuwad po niya ako at ipinasok niya ulit yung titi niya.

Q. When he asked you to bend down and inserted his penis into your vagina, what was he saying[,] if any?
A. Sabi po niya, lalagyan po niya ko ng marka, tapos po, sinalag ko po yung saksak niya.

Q. Where did he stab you?
A. Hindi po natuloy[.] [D]apat po sasaksakin niya ko, sinalag ko, kaya nga po may sugat ako dito ([T]he witness is pointing to her right thumb). x x x

x x x x x x x x x

Q. So, the accused told you to go down to the canal, did you follow him?
A. Yes, ma'am[,] because the knife was still pointing to my neck ([W]itness is pointing to her left neck).

Q. When you were already down on the canal, what did he do to you?
A. He said "*last na to*" and he told me not to report to the police because he will kill me. Sinabi rin po niya na pag nabuntis ako, hanapin ko lang daw siya.

Q. What did he actually do to you when you were already down on the canal?
A. Ganun din po. Ipinasok niya ang titi niya sa ari ko.

Q. What was your position then when he inserted his penis into your vagina?
A. Nakaganito po, kasi, eto po yung canal eh . . . ([T]he witness is raising both of her legs).[5]

AAA's sister, BBB, testified that when AAA came home, the latter was wet and dirty as a result of suffering through multiple rapes in a canal. Moreover, accused-appellant made cruel and hurtful remarks before and during the rapes against AAA, which added insult to injury, such as: "*babae ka pala, sige na humiga ka na*" and "*May girlfriend ka? Dalhin mo dito, titirahin ko din*." These statements are considered gender-based slurs, the use of which are punishable under Republic Act No. 11313.[6] Taken as a whole, accused-appellant's acts increased AAA's anguish and suffering from the ordeal.

---

[5] CA Decision, pp. 8-11.

[6] Also known as the *Safe Spaces Act*:

Section 4. *Gender-Based Streets and Public Spaces Sexual Harassment*. — The crimes of gender-based streets and public spaces sexual harassment are committed through any unwanted and uninvited sexual actions or remarks against any person regardless of the motive for committing such action or remarks.

Gender-based streets and public spaces sexual harassment includes catcalling, wolf-whistling, unwanted invitations, misogynistic, transphobic, homophobic and sexist slurs, persistent uninvited comments or gestures on a person's appearance, relentless requests for personal details, statement of sexual comments and suggestions, public masturbation or flashing of private

Ignominy may be appreciated if alleged in the Informations of the absorbed component crimes

Indeed, there is as yet no jurisprudence where an aggravating circumstance alleged in the Information of the absorbed component crime has been treated as aggravating in the resulting complex crime. Conversely, We can view this dearth of jurisprudence to mean that there is yet no prohibition precluding courts from appreciating an aggravating circumstance from an absorbed crime.

To determine whether the alleged aggravating circumstance may be considered by the court, it is helpful to first examine the *ratio* behind the requirement that an Information must specify the qualifying and aggravating circumstance mandated by Section 8, Rule 110 of the Revised Rules of Criminal Procedure.[7]

In *People v. Solar*,[8] the Court stressed the Constitutional imperative that no person should be deprived of life or liberty without due process of law. An essential component of the right to due process in criminal proceedings is **the right of the accused to be sufficiently informed**, *in writing*, of the cause of the accusation against him. These requirements are imposed to ensure that the accused is sufficiently apprised of the acts and circumstances with which he is being

---

parts, groping, or any advances, whether verbal or physical, that is unwanted and has threatened one's sense of personal space and physical safety, and committed in public spaces such as alleys, roads, sidewalks and parks. Acts constitutive of gender-based streets and public spaces sexual harassment are those performed in buildings, schools, churches, restaurants, malls, public washrooms, bars, internet shops, public markets, transportation terminals or public utility vehicles.

[7] SECTION 8. *Designation of the Offense*. — The complaint or information shall state the designation of the offense given by the statute, aver the acts or omissions constituting the offense, and specify its qualifying and aggravating circumstances. If there is no designation of the offense, reference shall be made to the section or subsection of the statute punishing it.

[8] G.R. No. 225595, 06 August 2019.

charged.[9] Simply put, the underlying purpose is to inform the accused of the acts and circumstances comprising the criminal charge.

The issue that now confronts this Court is this: if an aggravating circumstance was alleged under the Information of an absorbed component crime, can courts consider the accused as having been informed of this aggravating circumstance? I answer in the affirmative.

In robbery with multiple rapes, **all the rapes are merged in the composite, integrated whole** comprising the single crime of robbery with rape, so long as the rapes accompanied the robbery.[10] Thus, it cannot be denied that the accused had already been informed, *in writing*, of the acts and circumstances alleged in the other Informations before the component rapes were absorbed. Necessarily, the allegations in the Informations for the component rapes should likewise be considered as integrated into the Information for robbery with rape because the purpose of Section 8, Rule 110 had been satisfied. Ultimately, **the accused remains sufficiently informed of the acts and circumstances with which he is being charged**.

The Court's decision in *People v. Tuppal* is instructive.[11] In that case, the accused was charged under four (4) separate Informations for murder, frustrated murder, attempted murder, and robbery. All charges were subsequently merged into one (1) special indivisible or composite crime of robbery with homicide. For the purpose of reckoning the appropriate penalty, the Court considered the injuries inflicted as an aggravating circumstance.[12]

---

[9] *Id*.

[10] *People v. Seguis*, G.R. No. 135034, 18 January 2001, 402 Phil. 584-607 (2001).

[11] *People v. Tuppal*, G.R. Nos. 137982-85, 13 January 2003, 443 Phil. 92-107 (2003).

[12] *Id*.

In the present case, all charges under the three (3) Informations should also be considered as merged into one (1) special indivisible crime of robbery with rape, which necessarily includes the allegations of aggravating circumstances.

Incidentally, the CA herein acquitted the accused for the other two (2) incidents of rape. The dispositive portion of the decision reads:

> **WHEREFORE**, all premises considered, the instant appeal is **PARTLY GRANTED**.
>
> Accordingly, the Decision dated 17 November 2016 of the Regional Trial Court, Branch 100, Antipolo City, is hereby **MODIFIED** as follows:
>
> (1) Insofar as Criminal Case Nos. 11-43070 and 11-43071 are concerned, appellant is **ACQUITTED** of the charge of two (2) counts of simple rape under Article 266-A of the Revised Penal Code.
>
> (2) With respect to Criminal Case No. 11-43069 convicting appellant of robbery with rape under Article 294, paragraph 1 of the Revised Penal Code, the same is **AFFIRMED**. However, the penalty imposed is reclusion perpetua without eligibility for parole.
>
> (3) Appellant is **ORDERED** to pay exemplary damages in the amount of ₱100,000.00, in addition to the awards of moral damages and civil indemnity which are increased to ₱100,000.00.
>
> (4) Finally, pursuant to the pronouncement in Nacar v. Gallery Frames and Felipe Bordey, Jr., 34 appellant is further **ORDERED** to pay legal interest on all awarded damages at 6% per annum from the filing of the Information on 18 October 2011 until the finality of this Decision, and another 6% per annum from such finality until full payment.
>
> **SO ORDERED.**

As shown in the *fallo*, the CA did not indicate whether the prosecution's evidence absolutely failed to prove the guilt of the accused or merely failed to prove his guilt beyond reasonable doubt. The CA erred in rendering an acquittal without specifying one of the reasons under Section 2, Rule 120 of the Revised

Rules of Criminal Procedure.[13] The merging of composite crimes is not among the valid reasons to acquit an accused.

Since an appeal in criminal cases opens the entire case for review, it is the duty of the reviewing tribunal to correct, cite, and appreciate errors in the appealed judgment whether they are assigned or unassigned. The appeal confers the appellate court full jurisdiction over the case and renders such court competent to examine the records, revise the judgment appealed from, increase the penalty, and cite the proper provision of the penal law.[14]

Herein, considering the two (2) additional rapes were merely absorbed in the robbery with rape charge, thus, the proper manner in disposing the separate charges, instead of an acquittal, should have been to indicate that all other charges have been merged into the special complex crime. This manner of disposal was also employed in *Tuppal*, wherein the trial court did not acquit the accused under any of the Informations. Instead, the trial court found the accused guilty beyond reasonable doubt of the single offense of robbery with homicide, **as all other charges have been merged in said offense**.[15] Hence, the dispositive

---

[13] Section 2. *Contents of the judgment*. — x x x

In case the judgment is of acquittal, it shall state whether the evidence of the prosecution absolutely failed to prove the guilt of the accused or merely failed to prove his guilt beyond reasonable doubt. x x x

[14] *People v. De Guzman*, G.R. No. 234190, 01 October 2018.

[15] *People v. Tuppal*, G.R. Nos. 137982-85, 13 January 2003, 443 Phil. 92-107 (2003).

On March 12, 1999, the trial court found the appellant guilty. The dispositive portion of its decision reads:

WHEREFORE, **the prosecution having established the guilt of accused SATURNINO TUPPAL beyond reasonable doubt as principal of the proper offense of Robbery with Homicide, all the other charges having been merged in said offense**, defined and penalized under par. 1 of Article 294, Revised Penal Code, with one aggravating circumstance, that of nocturnity, without any mitigating circumstance to offset the same, the court hereby sentences the accused to suffer the penalty of *Reclusion Perpetua*,

portion should be modified to indicate that all charges have been merged into a single charge of robbery with rape.

With all three (3) charges merged, I see no impediment in applying the aggravating circumstance of ignominy sufficiently alleged in the second Information for rape. At any rate, accused-appellant has already been fully informed, *in writing*, of the acts and circumstances with which he was being charged.

ACCORDINGLY, I vote to **DISMISS** the appeal. However, accused-appellant Jonathan Juarizo Evardone should be sentenced to suffer the penalty of *reclusion perpetua* without eligibility for parole.

EN BANC

[A.C. No. 9426, August 25, 2020]
(CBD Case No. 13-3819)

CORAZON KANG IGNACIO, *complainant, vs.* **ATTY. MONTE P. IGNACIO,** *respondent.*

[A.C. No. 11988. August 25, 2020]
(CBD Case No. 14-4219)

JANINA B. DE LA CRUZ as attorney-in-fact of CORAZON KANG IGNACIO, *complainant, vs.* **ATTY. MONTE P. IGNACIO,** *respondent.*

---

with all the accessory penalties provided for by law; to indemnify the heirs of Bartolo Atuan, Jr. the sum of PhP50,000.00 following prevailing jurisprudence and an additional sum of PhP20,000.00 as actual and compensatory damages plus moral damages in the sum of PhP200,000.00 and exemplary damage[s] in the sum of PhP50,000.00; to pay to Florfina Solito the sum of PhP2,500.00 which the accused forcibly took from her and PhP60,000.00 for actual and compensatory damage; and, to pay the costs.

SO ORDERED. [Emphasis supplied.]

SYLLABUS

1. **LEGAL ETHICS; ATTORNEYS; CODE OF PROFESSIONAL RESPONSIBILITY; CONTINUING MANDATE TO POSSESS GOOD MORAL CHARACTER; A LAWYER MAY BE REMOVED OR SUSPENDED FROM THE PRACTICE OF LAW FOR GROSSLY IMMORAL CONDUCT.—** Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility mandate all lawyers to possess good moral character at the time of their application for admission to the Bar, and require them to maintain such character until their retirement from the practice of law. x x x As such, any errant behavior of a lawyer, be it in his public or private activities, which tends to show deficiency in moral character, honesty, probity or good demeanor, is sufficient to warrant suspension or disbarment. Specifically, a lawyer may be removed or suspended from the practice of law for grossly immoral conduct.

2. **ID.; ID.; ID.; ID.; ID.; CONTRACTING A BIGAMOUS MARRIAGE IS GROSS IMMORALITY.—** In this case, Atty. Ignacio fell below the standards of morality required of a lawyer when he contracted a bigamous marriage. It is undisputed that Atty. Ignacio entered into two marriages — in 1978 with Celia and in 1985 with Corazon. The marriage contract and certificate that Corazon submitted further establish these facts. Also, Atty. Ignacio admitted the prior marriage with Celia and argued that Corazon knew his civil status. x x x [A] lawyer's culpability for gross immorality is not dependent on whether the other party knowingly engaged in an immoral relationship with him. x x x Finally, Atty. Ignacio exhibited reproachable conduct when he engaged in extra-marital affairs and sired children with different women other than his lawful wife. The argument that some of the children were born before 1985 while others after the divorce in 1990 does not remove the fact that he begot them while his first marriage with Celia is still existing.

3. **ID.; ID.; ID.; ID.; ID.; ID.; PENALTY OF SUSPENSION FROM THE PRACTICE OF LAW FOR FIVE YEARS, IMPOSED.—** Taken together, Atty. Ignacio is guilty of gross immorality. However, we do not agree with the IBP's recommendation to disbar Atty. Ignacio. The penalty of disbarment should be imposed with great caution for clear cases

of misconduct that seriously affect the standing and character of an officer of the court. Although the reason of Atty. Ignacio for contracting both marriages is not a valid excuse, we note that he did not deceive the Court and instead exhibited candor in admitting the transgression. Moreover, there was no showing that Atty. Ignacio is unfit to continue his membership in the bar. In these circumstances, a penalty of suspension from the practice of law for five years is proper.

LEONEN, *J., concurring opinion*:

LEGAL ETHICS; ATTORNEYS; GROSS IMMORALITY FOR CONTRACTING A BIGAMOUS MARRIAGE DOES NOT NECESSARILY MAKE ONE UNFIT TO CONTINUE MEMBERSHIP IN THE BAR; SUSPENSION OF FIVE (5) YEARS FROM THE PRACTICE OF LAW IS SUFFICIENT.— Disbarment should be imposed sparingly, upon a clear showing of misconduct that "seriously affect[s] the standing and character of the lawyer as an officer of the court and member of the Bar. x x x Here, the *ponencia* found respondent Atty. Monte P. Ignacio (Atty. Ignacio) guilty of gross immorality and imposed upon him a five-year suspension from the practice of law. x x x I agree that there is no misconduct here that seriously affects Atty. Ignacio's standing that would warrant disbarment. He neither deceived this Court nor tried to justify his behavior. He may have been guilty of gross immorality for contracting a bigamous marriage, but that does not make him unfit to continue his membership in the Bar.

APPEARANCES OF COUNSEL

Janina B. Dela Cruz for complainant.

D E C I S I O N

***PER CURIAM*:**

The Court once again exercises its power to discipline a lawyer who contracted a bigamous marriage, engaged in extra-marital affairs, and sired children with different women other than his lawful wife.

ANTECEDENTS

Corazon Kang Ignacio filed two disbarment complaints against Atty. Monte Ignacio docketed as Administrative Case Nos. 9426 and 11988. Allegedly, Atty. Ignacio married Corazon on August 4, 1985. At that time, Corazon was working in the United States (US) and Atty. Ignacio would stay with her abroad every six months. In May 1988, Corazon got pregnant but Atty. Ignacio left the US. On February 28, 1989, Corazon gave birth to their child without Atty. Ignacio. In May 1989, Atty. Ignacio visited the US and took the child to the Philippines. Thereafter, Atty. Ignacio entrusted the child to Corazon's half-sister without giving any financial support.[1] In April 1990, Atty. Ignacio brought the child to the US. On the same year, Corazon divorced Atty. Ignacio.[2]

Moreover, Corazon claimed that Atty. Ignacio committed bigamy because he was previously married to Celia Tingson Valenzuela on July 3, 1978. As supporting evidence, Corazon submitted the corresponding marriage certificate and contract.[3] Thus, Corazon charged Atty. Ignacio with bigamy and perjury,[4] and applied for temporary and permanent protection orders.[5] Also, Corazon narrated that Atty. Ignacio fathered several children with different women, namely: Maria Juliana, Don Basilio and Monte John with Felisa Dela Cruz; Michelle and an unnamed son with a certain Cecilia from Mindoro; Monteson I and Monteson II with a certain Virginia from Pangasinan; and Joker with Lily Dela Cruz. Lastly, Corazon averred that she lent USD 9,300.00 to Atty. Ignacio as bail in the murder case for which he was implicated. Yet, Atty. Ignacio did not pay his debt despite demand.[6]

---

[1] *Rollo* (G.R. No. L-9426), pp. 1-3.

[2] *Id.* at 16 & 18.

[3] *Rollo* (G.R. No. L-11988), pp. 12-13.

[4] *Id.* at 14.

[5] *Id.* at 20.

[6] *Rollo* (G.R. No. L-9426), pp. 3-5.

In his Comment,[7] Atty. Ignacio argued that Corazon knew of his previous marriage but she insisted *"for love as well as for convenience because she can easily petition for [his] immigration to the US, after several denials of [his] tourist visa application with the US Embassy."*[8] Further, Atty. Ignacio explained that his children Monteson I, Monteson II, Joker and Michelle were born before his marriage with Corazon. On the other hand, Maria Juliana, Don Basilio and Monte John were born after the divorce.

In its Consolidated Report[9] dated January 8, 2016, the Commission on Bar Discipline of the Integrated Bar of the Philippines (IBP) recommended the disbarment of Atty. Ignacio for gross immoral conduct in contracting a bigamous marriage. Atty. Ignacio did not dispute the authenticity and genuineness of the evidence against him and even admitted his prior marriage. Meanwhile, Corazon failed to establish the other charges. On February 25, 2016, the IBP Board of Governors affirmed the Commission's findings.[10]

RULING

The Court adopts the IBP's findings with modification as to the penalty.

Canon 1,[11] Rule 1.01[12] and Canon 7,[13] Rule 7.03[14] of the Code of Professional Responsibility mandate all lawyers to possess

---

[7] *Id.* at 16-18.

[8] *Rollo* (G.R. No. L-11988), p. 18.

[9] *Id.* at 87-96.

[10] *Id.* at 85-86.

[11] CANON 1 — A lawyer shall uphold the Constitution, obey the laws of the land and promote respect for law and legal processes.

[12] Rule 1.01. — A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

[13] CANON 7 — A lawyer shall at all times uphold the integrity and dignity of the legal profession and support the activities of the integrated bar.

good moral character at the time of their application for admission to the Bar, and require them to maintain such character until their retirement from the practice of law.[15] Indeed, the possession of good moral character is both a condition precedent and a continuing requirement to membership in the legal profession.[16] This proceeds from the bounden duty of lawyers to safeguard the Bar's integrity, free from misdeeds and acts constitutive of malpractice. Their exalted positions as officers of the court demand no less than the highest degree of morality.[17]

As such, any errant behavior of a lawyer, be it in his public or private activities, which tends to show deficiency in moral character, honesty, probity or good demeanor, is sufficient to warrant suspension or disbarment. Specifically, a lawyer may be removed or suspended from the practice of law for grossly immoral conduct.[18] One such instance is when a lawyer engaged in a bigamous marriage. In *Villasanta v. Peralta,*[19] we held that the respondent's act of contracting a second marriage during the existence of his first marriage is contrary to honesty, justice, decency and morality. It is a mockery of marriage which is a sacred institution demanding respect and dignity. Thus, the respondent was disqualified from being admitted to the bar despite passing the examinations. Also, the respondents in *Tucay*

---

[14] Rule 7.03. — A lawyer shall not engage in conduct that adversely reflects on his fitness to practice law, nor shall he, whether in public or private life, behave in a scandalous manner to the discredit of the legal profession.

[15] *Panagsagan v. Panagsagan,* A.C. No. 7733, October 1, 2019, citing *Advincula v. Advincula,* A.C. No. 9226, June 14, 2016, 793 SCRA 236, 247.

[16] *AAA v. De Los Reyes,* A.C. Nos. 10021 & 10022, September 18, 2018, 880 SCRA 268, 281.

[17] *Valdez v. Atty. Dabon,* 773 Phil. 109, 121 (2015).

[18] Section 27, Rule 138 of the Rules of Court provides that a lawyer may be removed or suspended from the practice of law for grossly immoral conduct.

[19] 101 Phil. 313 (1957).

v. Atty. Tucay,[20] *Villatuya v. Atty. Tabalingcos*[21] *Bunagan-Bansig v. Atty. Celera*[22] and *Dr. Perez v. Atty. Catindig, et al.*[23] were all disbarred after entering into a bigamous marriage.

In this case, Atty. Ignacio likewise fell below the standards of morality required of a lawyer when he contracted a bigamous marriage. It is undisputed that Atty. Ignacio entered into two marriages — in 1978 with Celia and in 1985 with Corazon. The marriage contract and certificate that Corazon submitted further establish these facts.[24] Also, Atty. Ignacio admitted the prior marriage with Celia and argued that Corazon knew his civil status. However, Atty. Ignacio maintained that it was

---

[20] 376 Phil. 336 (1999). In this case, we disbarred the respondent lawyer for contracting another marriage while the first marriage was still subsisting. The Court ruled that it "need not delve into the question of whether or not respondent did contract a bigamous marriage, a matter which x x x [was then] pending with the x x x [lower court]. It is enough that the records of this administrative case sufficiently substantiate the findings of the Investigating Commissioner x x x [and] the IBP Board of Governors, x x x."

[21] 690 Phil. 381 (2012). In this case, the respondent attorney failed to dispute the authenticity or impugn the genuineness of the NSO-certified copies of the Marriage Contracts presented by the complainant to prove that respondent married three different women. Further, the respondent did not invoke any grounds in the Civil Code provisions on marriage in his petitions to annul the second and third marriages. We ruled that "[r]espondent exhibited a deplorable lack of that degree of morality required of him as a member of the bar. He made a mockery of marriage, a sacred institution demanding respect and dignity." We disbarred Atty. Tabalingcos for engaging in bigamy, a grossly immoral conduct.

[22] 724 Phil. 141 (2014). In this case, we disbarred the respondent lawyer for contracting a second marriage despite the existence of his first marriage, on the basis of the certified xerox copies of the marriage contracts submitted by the complainant.

[23] 755 Phil. 297 (2015). In this case, we also disbarred the respondent for entering into a second marriage despite knowing fully well that his previous marriage still subsisted. We held that contracting a marriage during the subsistence of a previous one amounts to a grossly immoral conduct.

[24] *Sps. Salgado v. Anson,* 791 Phil. 481 (2016). See RULES OF COURT, Rule 130, Section 44.

Corazon who insisted on their marriage and that *"weighing the pros and cons, [he] approved of her plan that she comes home for the marriage so that upon acquiring citizenship, she will immediately file the petition [for immigration] for him."*[25] We find this reason irrelevant.

Foremost, a lawyer's culpability for gross immorality is not dependent on whether the other party knowingly engaged in an immoral relationship with him.[26] Notably, Atty. Ignacio was admitted to the bar in 1974[27] and is already a lawyer when he married Celia and Corazon. Thus, he cannot feign ignorance of the law requiring that the first marriage must be annulled before a second marriage may be validly contracted.[28] Finally, Atty. Ignacio exhibited reproachable conduct when he engaged in extra-marital affairs and sired children with different women other than his lawful wife.[29] The argument that some of the children were born before 1985 while others after the divorce in 1990 does not remove the fact that he begot them while his first marriage with Celia is still existing.

Taken together, Atty. Ignacio is guilty of gross immorality. However, we do not agree with the IBP's recommendation to disbar Atty. Ignacio. The penalty of disbarment should be imposed with great caution for clear cases of misconduct that seriously affect the standing and character of an officer of the

---

[25] *Rollo* (G.R. No. L-11988), p. 19.

[26] *Zaguirre v. Atty. Castillo,* 446 Phil. 861 (2003). In this case, we ruled that granting *arguendo* that complainant entered into a relationship with the respondent knowing full well his marital status, still it does not absolve him of gross immorality for what is in question in a case like this is his fitness to be a member of the legal profession. It is not dependent whether or not the other party knowingly engaged in an immoral relationship with him.

[27] *Rollo* (G.R. No. L-9426), p. 108.

[28] See *Marbella-Bobis v. Bobis,* 391 Phil. 648 (2000).

[29] See *Toledo v. Toledo,* 117 Phil. 768 (1963); *Paras v. Atty. Paras,* 397 Phil. 462 (2000); and *Zaguirre v. Atty. Castillo, supra.*

court.[30] Although the reason of Atty. Ignacio for contracting both marriages is not a valid excuse, we note that he did not deceive the Court and instead exhibited candor in admitting the transgression. Moreover, there was no showing that Atty. Ignacio is unfit to continue his membership in the bar. In these circumstances, a penalty of suspension from the practice of law for five years is proper.

On this point, we reiterate that lawyers are duty-bound to observe the highest degree of morality and integrity not only upon admission to the Bar but also throughout their career in order to safeguard the reputation of the legal profession.[31] Time and again, the Court reminds the members of the bar that the practice of law is not a right but a mere privilege subject to the inherent regulatory power of this Court,[32] *viz.*:

> The practice of law is a privilege burdened with conditions. Adherence to the rigid standards of mental fitness, maintenance of the highest degree of morality and faithful compliance with the rules of the legal profession are the conditions required for remaining a member of good standing of the bar and for enjoying the privilege to practice law.[33]

FOR THESE REASONS, the Court finds Atty. Monte P. Ignacio **GUILTY** of gross immorality in violation of Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility. He is **SUSPENDED** from the practice of law for a period of five years.

Let a copy of this decision be furnished to the Office of the Bar Confidant for immediate implementation; the Integrated Bar of the Philippines for its information and guidance; and

---

[30] *Advincula v. Atty. Macabata,* 546 Phil. 431 (2007).

[31] *AAA v. De Los Reyes, supra.*

[32] *Maniago v. Atty. De Dios,* 631 Phil. 139 (2010).

[33] *Dumadag v. Atty. Lumaya*, 390 Phil. 1, 10 (2000), citing *Adez Realty, Inc. v. CA*, 321 Phil. 556 (1995) and *Zaldivar v. Sandiganbayan,* 221 SCRA 132 (April 7, 1993).

the Office of the Court Administrator for circulation to all courts in the country.

SO ORDERED.

Peralta, C.J., Perlas-Bernabe, Caguioa, Gesmundo, Reyes, Jr., Hernando, Carandang, Lazaro-Javier, Inting, Zalameda, Lopez, Delos Santos, and *Gaerlan, JJ.,* concur

Leonen, J., see separate opinion.

Baltazar-Padilla, J., on leave.

CONCURRING OPINION

LEONEN, *J.*:

I concur with the *ponencia.* The Integrated Bar of the Philippines' recommended penalty of disbarment[1] was rightly modified. A suspension of five (5) years is sufficient for the erring lawyer here, he having demonstrated candor in admitting his transgression.

Disbarment should be imposed sparingly, upon a clear showing of misconduct that "seriously affect[s] the standing and character of the lawyer as an officer of the court and member of the Bar."[2]

In my concurring and dissenting opinion[3] in *Anonymous Complaint v. Judge Dagala,*[4] I opined that disbarment should be imposed "for those who commit indiscretions that (a) are repeated, (b) result in permanent rearrangements that cause extraordinary difficulties on existing legitimate relationships, or (c) are *prima facie* shown to have violated the law":

---

[1] *Ponencia*, p. 3.

[2] *Advincula v. Macabata,* 546 Phil. 431, 447 (2007) [Per *J*. Chico-Nazario, Third Division].

[3] *J*. Leonen, Concurring and Dissenting Opinion in *Anonymous Complaint v. Dagala,* 814 Phil. 103, 136-156 (2017) [*Per Curiam*, *En Banc*].

[4] 814 Phil. 103 (2017) [*Per Curiam*, *En Banc*].

I appreciate the *ponente's* acknowledgment that "immorality only becomes a valid ground for sanctioning members of the Judiciary when the questioned act challenges his or her capacity to dispense justice." This affirms this Court's principle that our jurisdiction over acts of lawyers and judges is confined to those that may affect the people's confidence in the Rule of Law. There can be no immorality committed when there are no victims who complain. And even when they do, it must be shown that they were directly damaged by the immoral acts and their rights violated. A judge having children with women not his wife, in itself, does not affect his ability to dispense justice. What it does is offend this country's predominantly religious sensibilities.

We should not accept the stereotype that all women, because they are victims, are weak and cannot address patriarchy by themselves. The danger of the State's over-patronage through its stereotype of victims will be far reaching. It intrudes into the autonomy of those who already found their voice and may have forgiven.

The highest penalty should be reserved for those who commit indiscretions that (a) are repeated, (b) result in permanent rearrangements that cause extraordinary difficulties on existing legitimate relationships, or (c) are *prima facie* shown to have violated the law. The negligence or utter lack of callousness of spouses who commit indiscretions as shown by their inability to ask for forgiveness, their concealment of the act from their legitimate relationships, or their lack of support for the children born out of wedlock should be aggravating and considered for the penalty to be imposed.[5] (Citations omitted)

Here, the *ponencia* found respondent Atty. Monte P. Ignacio (Atty. Ignacio) guilty of gross immorality and imposed upon him a five-year suspension from the practice of law.[6] It cited two (2) reasons: first, his admitted bigamous marriage with the complainant; and second, his "reproachable conduct when he engaged in extra-marital affairs and sired children with different women other than his lawful wife."[7]

---

[5] *Id.* at 155.

[6] *Ponencia*, p. 5.

[7] *Id.* at 4.

In cases involving illicit sexual relations and gross immorality, this Court has imposed varying penalties ranging from suspension to disbarment, depending on the circumstances:

In a number of administrative cases involving illicit sexual relations and gross immorality, this Court imposed upon the erring lawyers various penalties ranging from suspension to disbarment, depending on the circumstances. In *De Leon v. Pedreña,* we suspended the respondent from the practice of law for two years for rubbing complainant's leg with his hand, putting complainant's hand on his crotch area, and pressing his finger on complainant's private part. In *Tumbaga v. Teoxon,* the respondent was suspended for three years from the practice of law for committing gross immorality by maintaining an extramarital affair with complainant. This Court, in *Zaguirre v. Castillo,* meted the penalty of indefinite suspension on Atty. Castillo when he had an illicit relationship with a woman not his wife and sired a child with her, whom he later on refused to recognize and support. In *Dantes v. Dantes,* the respondent was disbarred when he engaged in illicit relationships with two different women during the subsistence of his marriage to complainant. We also ruled in *Arnobit v. Arnobit,* that respondent's act of leaving his wife and 12 children to cohabit and have children with another woman constitutes grossly immoral conduct, for which respondent was disbarred. Likewise, in *Delos Reyes v. Aznar,* we disbarred respondent, Chairman of the College of Medicine, for his acts of enticing the complainant, who was then a student in the said college, to have carnal knowledge with him under the threat that she would fail in all of her subjects if she refused respondent.

In *Ventura v. Samson,* this Court has reminded that the power to disbar must be exercised with great caution, and only in a clear case of misconduct that seriously affects the standing and character of the lawyer as an officer of the Court and as a member of the bar. Disbarment should not be imposed where a lesser penalty may accomplish the desired goal of disciplining an erring lawyer. In the present case, however, respondent Atty. De Los Reyes's actions show that he lacks the degree of morality required of him as a member of the legal profession, thus warranting the penalty of disbarment. Respondent Atty. De Los Reyes is disbarred for his gross misbehavior, even if it pertains to his private activities, as long as it shows him to be wanting in moral character, honesty, probity or good demeanor.

Possession of good moral character is not only a prerequisite to admission to the bar but also a continuing requirement to the practice of law.[8] (Citations omitted)

In this case, Atty. Ignacio does not dispute the allegation that he has contracted two marriages, one in 1978 and another in 1985.[9] In fact, as the *ponencia* noted, he "exhibited candor in admitting his transgression."[10]

I agree that there is no misconduct here that seriously affects Atty. Ignacio's standing that would warrant disbarment.[11] He neither deceived this Court nor tried to justify his behavior. He may have been guilty of gross immorality for contracting a bigamous marriage, but that does not make him unfit to continue his membership in the Bar.

For that, a five-year suspension is proper.

Indeed, suspending Atty. Ignacio for gross immorality for his admitted bigamy is not without precedent. As early as *Pangan v. Atty. Ramos.*[12] this Court imposed a three-year suspension on a lawyer charged with bigamy.

In that case, upon learning of his former marriage, Atty. Dionisio Ramos's (Atty. Ramos) second wife filed a criminal complaint for bigamy and sought Atty. Ramos's disbarment. Atty. Ramos later submitted that since he has been acquitted of bigamy, the disbarment case must be dismissed. This Court held that even with the dismissal of the criminal case, Atty. Ramos still committed gross immoral acts, for which a three-year suspension from the practice of law sufficed as penalty:

---

[8] *AAA v. De Los Reyes,* A.C. Nos. 10021-22, September 18, 2018, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64655> [*Per Curiam*, *En Banc*].

[9] *Ponencia*, p. 4.

[10] *Id.* at 5.

[11] *Id.* at 4-5.

[12] 194 Phil. 1 (1981) [Per *J.* De Castro, Second Division].

Upon a review of the record, We are convinced that respondent Dionisio Ramos is guilty of grossly immoral conduct which warrants proper action from this Court. His own declarations in his affidavit corroborate this imputation of immorality. Thus, in his affidavit subscribed before Asst. Fiscal Primitivo Peñaranda of Manila on Feb. 22, 1967, respondent frankly admitted having carnal relations with complainant for several times. What is more, respondent claimed that he was threatened and forced by complainant's brothers to celebrate the marriage dated June 18, 1980, but in the same breath, he admitted having carnal affair with complainant after the celebration of the marriage. Worse still, respondent misrepresented his civil status as "single", courted complainant, proposed marriage to her — knowing his legal impediments to marry complainant, respondent's motives were clearly and grossly immoral — won her confidence and married her while his first marriage to his present wife still validly subsists.

. . . .

Respondent, however, submits that having been acquitted by the Court of First Instance of Manila, Branch XXI, of the charge of bigamy, the immorality charges filed against him in this disbarment case should be dismissed. The acquittal of respondent Ramos upon the criminal charge is not a bar to these proceedings. The standards of legal profession are not satisfied by conduct which merely enables one to escape the penalties of the criminal law. Moreover, this Court in disbarment proceedings is acting in an entirely different capacity from that which courts assume in trying criminal cases.

. . . .

In the light of the foregoing, the court finds that respondent committed a grossly immoral act, as found both by the Solicitor General and this Court's Legal Officer-Investigator, and as recommended by the Solicitor General, respondent is hereby suspended from the practice of law for a period of three (3) years, for gross immorality, and an additional one (1) year for his willful disregard of a lawful order against his using an unauthorized name, in serious disrespect of this Court.[13] (Citations omitted)

This case is similar. Here, Atty. Ignacio, like Atty. Ramos, contracted a subsequent marriage while his first marriage was subsisting, and while he was already a lawyer. With Atty. Ignacio

---

[13] *Id.* at 7-9.

having shown candor in owning up to his behavior, he deserves to be suspended, but only for five years.

ACCORDINGLY, I concur.

EN BANC

[G.R. No. 252119. August 25, 2020]

ABS-CBN CORPORATION, *petitioner*, *vs.* **NATIONAL TELECOMMUNICATIONS COMMISSION,*** *respondent*.

SYLLABUS

1. **POLITICAL LAW; CONSTITUTIONAL LAW; A LEGISLATIVE FRANCHISE IS BOTH A PRE-REQUISITE AND A CONTINUING REQUIREMENT FOR BROADCASTING ENTITIES TO BROADCAST THEIR PROGRAMS THROUGH TELEVISION AND RADIO STATIONS.—** At the onset, it is imperative to point out that based on our Constitution and laws, **a legislative franchise is both a pre-requisite and a continuing requirement** for broadcasting entities to broadcast their programs through television and radio stations in the country. Broadly speaking, "a franchise is defined to be a **special privilege** to do certain things conferred by government on an individual or corporation,

---

* As per the Court's Resolution dated May 19, 2020, the Senate and the House of Representatives of the Philippines were both impleaded as parties to this case, and consequently, directed to file their respective comments to the petition (see *rollo*, pp. 320-AA-320-CC). However, for the reasons discussed below, they are dropped as parties to this case; hence, their non-inclusion in the caption.

and **which does not belong to citizens generally of common right**." Insofar as the great powers of government are concerned, "[a] franchise is basically a **<u>legislative</u> grant** of a **special privilege** to a person." In *Associated Communications & Wireless Services v. NTC (Associated Communications)*, the Court defined a "franchise [as] the **privilege** granted by the State through its **<u>legislative body</u>** x x x subject to regulation by the State itself by virtue of its police power through its administrative agencies." On this score, Section 11, Article XII of the 1987 Constitution further states that "for the operation of a public utility," no "such franchise or right [shall] be granted except under the condition that it shall be subject to amendment, alteration, or repeal **<u>by the Congress</u>** when the common good so requires."

2. **ID.; ADMINISTRATIVE LAW; NATIONAL TELECOMMUNICATIONS COMMISSION (NTC); AFTER SECURING THEIR LEGISLATIVE FRANCHISES, STATIONS ARE REQUIRED TO OBTAIN CERTIFICATE OF PUBLIC CONVENIENCE FROM THE NTC BEFORE THEY CAN OPERATE THEIR RADIO OR TELEVISION BROADCASTING SYSTEMS.—** With respect to the broadcast industry, Section 1 of Act No. 3846, as amended, clearly provides that "[n]o person, firm, company, association or corporation shall construct, install, establish, or operate a radio station within the Philippine Islands **without having first obtained a franchise therefor from the Philippine Legislature** x x x." It has also been clarified in *Associated Communications* that a congressional franchise is required to operate radio, <u>as well as television stations</u>, in light of the subsequent issuance of Presidential Decree No. (PD) 576-A. In this relation, Section 6 of PD 576-A further imposes, as an additional requirement to operate a radio or television station, an "authority" coming from "the Board of Communications and the Secretary of Public Works and Communications or their successors [(*i.e.*, the NTC)] who have the right and authority to assign to qualified parties frequencies, channels or other means of identifying broadcasting systems." In *Divinagracia v. Consolidated Broadcasting System, Inc.* (*Divinagracia*), citing *Associated Communications*, this Court ruled that the legislative franchise requirement under Act No. 3846, as amended, was not repealed by the additional requirement

imposed in PD 576-A. Instead, they co-exist. Thus, in *Divinagracia*, it was explained that: **Broadcast and television stations are required to obtain a legislative franchise, a requirement imposed by the Radio Control Act and affirmed by our ruling in *Associated Broadcasting*.** After securing their legislative franchises, stations are required to obtain CPCs from the NTC before they can operate their radio or television broadcasting systems. Such requirement while traceable also to the Radio Control Act, currently find its basis in E.O. No. 546, the law establishing the NTC.

3. **REMEDIAL LAW; CIVIL PROCEDURE; ACTIONS; MOOT AND ACADEMIC CASES; A CASE OR ISSUE IS CONSIDERED MOOT AND ACADEMIC WHEN IT CEASES TO PRESENT A JUSTICIABLE CONTROVERSY BY VIRTUE OF SUPERVENING EVENTS SO THAT AN ADJUDICATION OF THE CASE OR A DECLARATION ON THE ISSUE WOULD BE OF NO PRACTICAL VALUE OR USE; CASE AT BAR.—** To expound, "[a] case or issue is considered moot and academic when it ceases to present a justiciable controversy **by virtue of supervening events**, so that an adjudication of the case or a declaration on the issue would be of **no practical value or use**. In such instance, **there is no actual substantial relief which <u>a petitioner</u> would be entitled to**, and **which would be negated by the dismissal of the petition**. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness. This is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced." Because of the aforementioned supervening event, **there is no actual substantial relief which petitioner ABS-CBN would be entitled to** *regardless of this Court's disposition on the merits of the present petition.* To demonstrate, *should the Court dismiss the petition on the merits,* the dismissal would only validate and sustain respondent NTC's CDO and hence, accord ABS-CBN no relief at all. On the other hand, *should the Court grant the petition on the merits*, the nullification of the CDO will be of no practical consequence since based on our Constitution and laws, a legislative franchise is necessary for a broadcasting entity to legally operate its radio and television stations. **Thus, even if the CDO is annulled as prayed for,**

ABS-CBN cannot altogether resume its broadcast operations through its radio and television stations because its legislative franchise therefor had already expired and that, considering the denial of the House Committee on Legislative Franchise, has not been renewed.

LEONEN, *J.*, *separate concurring opinion*:

1. **POLITICAL LAW; ADMINISTRATIVE LAW; NATIONAL TELECOMMUNICATIONS COMMISSION (NTC); BEFORE AN ENTITY COULD BE SUBJECTED TO DISCIPLINARY MEASURE FOR VIOLATING ANY LAW, RULE, OR REGULATION, THE COMMISSION MUST FIRST SERVE A SHOW CAUSE ORDER; CEASE AND DESIST ORDER, WHEN ISSUED BY THE NTC.—** Under the National Telecommunications Commission's 2006 Rules of Practice and Procedure, before an entity could be subjected to a disciplinary measure for violating any law, rule, or regulation, the Commission must first serve a *show cause order*. This order contains "the particulars and matters which the Commission is inquiring"; likewise, it calls upon respondents to file a verified answer at the stated place and time and to "explain why no judgment or action" should be taken against them. The Commission may also conduct a summary proceeding within 72 hours of the parties' receipt of its order. Within 15 days, it shall require the submission of position papers and memoranda. When some issues need clarifying, the Commission shall set a conference for it. Likewise, the Commission may, in its discretion, issue a cease and desist order in the following cases: (1) "if the continued acts of the public's utility operator shall cause serious detriment to public interest and the security of the state"; and (2) "in cases of willful or unreasonable refusal" to comply with any order of the Commission, or with other relevant laws.

2. **ID.; ID.; ID.; ID.; IF THE CEASE AND DESIST ORDER IS MORE OF A PRELIMINARY INJUNCTION, COMPLIANCE WITH THE ESSENTIAL REQUISITES OF A WRIT OF PRELIMINARY INJUNCTION IS NECESSARY BEFORE IT MAY BE ISSUED.—** In *GMA Network, Inc. v. National Telecommunications Commission*, this

Court recognized the National Telecommunications Commission's power to issue a cease and desist order as a provisional relief during the pendency of an action. A cease and desist order was compared to a *status quo* order because it "does not direct the doing or undoing of acts[.]" However, in that same case, this Court clarified that if the cease and desist order is more of a preliminary injunction, compliance with the essential requisites of a writ of preliminary injunction is necessary before it may be issued. As has been enumerated earlier, these requisites are the following: (1) there exists a clear and unmistakable right to be protected; (2) this right is directly threatened by an act sought to be enjoined; (3) the invasion of the right is material and substantial; and (4) there is an urgent and paramount necessity for the writ to prevent serious and irreparable damage.

APPEARANCES OF COUNSEL

Poblador Bautista & Reyes for petitioner.
The Solicitor General for respondent.

D E C I S I O N

PERLAS-BERNABE, *J.*:

Before the Court is a Petition for *Certiorari* and Prohibition (With Urgent Applications for the Issuance of a Temporary Restraining Order [TRO] and/or a Writ of Preliminary Injunction [WPI])[1] assailing the Order[2] dated May 5, 2020 issued by respondent National Telecommunications Commission (NTC) which directed petitioner ABS-CBN Corporation (ABS-CBN) to immediately **cease and desist** from operating its radio and television stations (CDO) due to the expiration of its legislative franchise granted under Republic Act No. (RA) 7966, entitled

---

[1] *Rollo*, pp. 10-55.

[2] In NTC Adm. Case No. 2020-008 issued by Commissioner Gamaliel A. Cordoba and Deputy Commissioners Edgardo V. Cabarios and Delilah F. Deles. *Id.* at 62-65.

"An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes."[3]

The Facts

On March 30, 1995, petitioner ABS-CBN was granted a legislative franchise to "construct, operate and maintain, for commercial purposes and in the public interest, television and radio broadcasting stations in and throughout the Philippines"[4] under RA 7966. The franchise was valid for a term of twenty-five (25) years from the law's effectivity on May 4, 1995, or until May 4, 2020.[5]

In 2014 and 2018, bills[6] for the renewal of ABS-CBN's franchise were filed in the 16th and 17th Congress.[7] In the current

---

[3] (May 4, 1995).

[4] RA 7966, Section 1.

[5] See *rollo*, p. 11.

[6] House Bill No. (HB) 4997 (16th Congress), entitled "An Act Renewing the Franchise Granted to ABS-cbn Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966 or 'An Act Granting ABS-cbn Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-five Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_16/HB04997.pdf> (last visited on July 17, 2020) and HB 4349 (17th Congress), entitled "An Act Renewing the Franchise Granted to Abs-cbn Corporation (Formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations In The Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_17/HB04349.pdf> (last visited on July 17, 2020).

[7] See *rollo*, pp. 11-12.

(or 18th) Congress, eleven (11) bills[8] for the renewal of ABS-

---

[8] HB 676 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966 or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB00676.pdf> (last visited on July 17, 2020); HB 3521 (18th Congress) entitled, "An Act Renewing the Franchise Granted to ABS-CBN Corporation under Republic Act No. 7966 Otherwise Known as 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB03521.pdf> (last visited on July 17, 2020); HB 3713 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966 or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB03713.pdf> (last visited on July 17, 2020); HB 3947 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966 or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB03947.pdf> (last visited on July 17, 2020); HB 4305 (18th Congress), entitled "An Act Renewing for Another Twenty-five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation, Presently Known as ABS-CBN Corporation, Under Republic Act No. 7966, entitled 'An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines,' and for Other Purposes" <http://congress.gov.ph/legisdocs/basic_18/HB04305.pdf> (last visited on July 17, 2020); HB 5608 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation)

CBN's franchise were submitted before the House Committee

---

under Republic Act No. 7966, or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB05608.pdf> (last visited on July 17, 2020); HB 5705 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966, or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB05705.pdf> (last visited on July 17, 2020); HB 5753 (18th Congress), entitled "An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation, Presently Known as ABS-CBN Corporation, Under Republic Act No. 7966, entitled 'An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines and for Other Purposes'" <http://congress.gov.ph/legisdocs/basic_18/HB05753.pdf> (last visited on July 17, 2020); HB 6052 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) Under Republic Act No. 7966 or 'An Act Granting The ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25) Years from the Effectivity of this Act" <http://congress.gov.ph/legisdocs/basic_18/HB06052.pdf> (last visited on July 17, 2020); HB 6138 (18th Congress), entitled "An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or 'An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes'" <http://congress.gov.ph/legisdocs/basic_18/HB06138.pdf> (last visited on July 17, 2020); and HB 6293 (18th Congress), entitled "An Act Renewing the Franchise Granted to ABS-CBN Corporation (Formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or 'An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes' for Twenty-Five (25)

on Legislative Franchises, while two (2) bills[9] were filed before the Senate Committee on Rules.[10] On February 26, 2020, another bill[11] was filed seeking the amendment of Section 1 of RA 7966 to extend the term of ABS-CBN's franchise while Congress is still deliberating on the issue of franchise renewal.[12]

In addition to these bills, several Resolutions were filed in relation to the renewal or extension of ABS-CBN's franchise, particularly: *(a)* House Resolution No. 639,[13] urging the House

---

YEARS FROM THE EFFECTIVITY OF THIS ACT" <http://congress.gov.ph/legisdocs/basic_18/HB06293.pdf> (last visited on July 17, 2020).

[9] Senate Bill No. (SB) 981 (18th Congress), entitled "AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966, ENTITLED 'AN ACT GRANTING THE ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES'" <https://www.senate.gov.ph/lisdata/3138928283!.pdf> (last visited on July 17, 2020); and SB 1403 (18th Congress), entitled "AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966, ENTITLED 'AN ACT GRANTING THE ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES'" <https://www.senate.gov.ph/lisdata/3249929369!.pdf> (last visited on July 17, 2020).

[10] See *rollo*, pp. 12-15.

[11] SB 1374 (18th Congress), entitled "AN ACT AMENDING SECTION 1 OF REPUBLIC ACT NO. 7966 TO EXTEND THE TERM OF THE FRANCHISE OF ABS-CBN CORPORATION UNTIL 31 DECEMBER 2020" <https://www.senate.gov.ph/lisdata/3240129258!.pdf> (last visited July 17, 2020).

[12] See *rollo*, p. 15.

[13] (18th Congress), entitled "RESOLUTION URGING THE COMMITTEE ON LEGISLATIVE FRANCHISES TO REPORT OUT WITHOUT FURTHER DELAY FOR PLENARY ACTION A CONSOLIDATED VERSION OF EIGHT (8) PENDING BILLS PROPOSING FOR THE RENEWAL FOR ANOTHER TWENTY-FIVE (25) YEARS OF THE LEGISLATIVE FRANCHISE OF ABS-CBN CORPORATION" <http://www.congress.gov.ph/legisdocs/basic_18/HR00639.pdf> (last visited July 17, 2020).

Committee on Legislative Franchises to report, without delay, the pending franchise bills of ABS-CBN for plenary action; *(b)* House Joint Resolution No. 28,[14] seeking the extension of the franchise of ABS-CBN until the end of the 18th Congress, or until June 30, 2022, to give Congress additional time to review and assess the franchise bills; and *(c)* House Joint Resolution No. 29,[15] seeking to extend the franchise of ABS-CBN until May 4, 2021, to give Congress enough time to thoroughly study and debate on the pending franchise bills.[16]

On February 24, 2020, the Senate Committee on Public Services called a hearing to "look into, in aid of legislation, the operations of [ABS-CBN] to determine compliance with the terms and conditions of its franchise under [RA] 7966." During the hearing, respondent NTC's Commissioner, Gamaliel A. Cordoba (Commissioner Cordoba), stated that the NTC has not withdrawn any Provisional Authority to operate under similar circumstances and has not closed any broadcast company in the past due to an expired franchise, pending its renewal. Commissioner Cordoba also declared that in the case of ABS-CBN, it will issue a Provisional Authority if so advised by the Department of Justice (DOJ).[17]

On February 26, 2020, the DOJ — through Secretary Menardo I. Guevarra — replied[18] to the letter dated February 12, 2020 written by Commissioner Cordoba requesting a legal opinion on the matter of the congressional franchise of ABS-CBN. Citing

---

[14] (18th Congress), entitled "JOINT RESOLUTION EXTENDING THE FRANCHISE OF ABS-CBN CORPORATION UNTIL THE END OF THE 18TH CONGRESS ON JUNE 30, 2022" <http://www.congress.gov.ph/legisdocs/basic_18/HJR0028.pdf> (last visited July 17, 2020).

[15] (18th Congress), entitled "JOINT RESOLUTION EXTENDING THE FRANCHISE OF ABS-CBN CORPORATION UNTIL MAY 4, 2021" <http://www.congress.gov.ph/legisdocs/basic_18/HJR0029.pdf> (last visited July 17, 2020).

[16] *Rollo*, pp. 14-15.

[17] See *id.* at 16-18.

[18] *Id.* at 68-73.

a number of circumstances,[19] the DOJ Secretary refrained from rendering a formal legal opinion on the matter. Nonetheless, he made the following observations for the NTC's "guidance": *(a)* there is an "established practice" or "equitable practice" to allow a broadcast company to continue its operations despite an expired franchise, pending its renewal; *(b)* the plenary power of Congress includes the auxiliary power to define and preserve the rights of the franchise applicant pending final determination of the renewal of the franchise; and *(c)* the NTC may provisionally authorize an entity to operate.[20]

On even date (February 26, 2020), the House Committee on Legislative Franchises sent a letter[21] to the NTC enjoining it to grant ABS-CBN a provisional authority to operate "effective May 4, 2020 until such time that the House of Representatives/ Congress has made a decision on its application."[22] The letter

---

[19] *Id.* at 69. Portions of the letter discussing the circumstances which constrained the DOJ to render legal opinion on the matter are quoted below:

First, the contentious issues to be resolved involve the substantial rights of a private person — in this case, ABS-CBN — over whom this Department's opinion does not have any binding authority. On many occasions, this Department has declined to render an opinion on issues which involve the rights of private persons for the reason that these issues often become the actual subject of litigation. x x x.

Second, the questions presented to us are better addressed to Congress itself in the exercise of a power constitutionally reserved to it (*i.e.*, the power to grant, extend, or otherwise amend franchises for the operation of public utilities). Even the Supreme Court has desisted from exercising its expanded power of judicial review over an issue that Congress has exclusive power to resolve. The same is likewise expected of us in the executive branch of government.

Lastly, the main issue involved in this request for opinion is premised on the assumption that Congress would not be able to act on the bills filed to renew the [f]ranchise before it expires. However, there are still several weeks before the expiration of the [f]ranchise, and Congress may still be able to timely act on the renewal of the [f]ranchise, thus making our opinion unnecessary.

[20] See *id.* at 20-21.

[21] See *id.* at 66-67.

[22] See *id.* at 18.

was signed by the Committee's Chairperson, Franz E. Alvarez (Chairperson Alvarez) with the concurrence of Speaker Alan Peter S. Cayetano.[23]

On March 4, 2020, the Senate adopted Resolution No. 40,[24] expressing the sense of the Senate that [ABS-CBN], its subsidiaries and/or affiliates, ABS-CBN Convergence, Inc., Sky Cable Corporation and Amcara Broadcasting Network, Inc., should continue to operate pending final determination of the renewal of its franchise by the 18th Congress."[25] This was an adoption of Senate Concurrent Resolution No. 6,[26] which was earlier filed, taking into consideration Senate Concurrent Resolution Nos. 7[27] and 8,[28] and Proposed Senate Resolution No. 344.[29]

---

[23] *Id.*

[24] Entitled "RESOLUTION EXPRESSING THE SENSE OF THE SENATE THAT ABS-CBN CORPORATION, ITS SUBSIDIARIES AND/OR AFFILIATES, ABS-CBN CONVERGENCE, INC., SKY CABLE CORPORATION AND AMCARA BROADCASTING NETWORK, INC., SHOULD CONTINUE TO OPERATE PENDING FINAL DETERMINATION OF THE RENEWAL OF ITS FRANCHISE BY THE 18TH CONGRESS."

[25] *Rollo*, p. 19.

[26] Entitled "CONCURRENT RESOLUTION EXPRESSING THE SENSE OF THE CONGRESS THAT ABS-CBN CORPORATION SHOULD CONTINUE TO OPERATE PENDING FINAL DETERMINATION OF THE RENEWAL OF ITS FRANCHISE BY THE 18TH CONGRESS."

[27] Entitled "CONCURRENT RESOLUTION EXPRESSING THE SENSE OF THE CONGRESS TO ALLOW ABS-CBN CORPORATION TO OPERATE PENDING FINAL DETERMINATION OF THE RENEWAL OF ITS FRANCHISE BY THE 18TH CONGRESS THROUGH THE ISSUANCE OF TTHE APPROPRIATE PROVISIONAL AUTHORITY BY THE NATIONAL TELECOMMUNICATIONS COMMISSION."

[28] Entitled "CONCURRENT RESOLUTION EXPRESSING THE SENSE OF THE CONGRESS TO ALLOW ABS-CBN CORPORATION AND SKY CABLE CORPORATION TO OPERATE PENDING FINAL DETERMINATION OF THE RENEWAL OF THEIR RESPECTIVE FRANCHISES BY THE 18TH CONGRESS THROUGH THE ISSUANCE OF THE APPROPRIATE PROVISIONAL AUTHORITY BY THE NATIONAL TELECOMMUNICATIONS COMMISSION."

[29] See *rollo*, p. 19.

On March 10, 2020, during the preliminary hearing of the House Bills for the renewal or grant of ABS-CBN's franchise conducted by the House Committee on Legislative Franchises, Commissioner Cordoba declared that the NTC "will follow the advice of the DOJ and let ABS-CBN continue [its] operations based on equity."[30]

On March 16, 2020, the NTC, due to the mandated suspension of regular work in light of the Enhanced Community Quarantine, issued a Memorandum Order[31] declaring that "[a]ll subsisting permits *[sic]* necessary to operate and maintain broadcast and pay TV facilities nationwide expiring within the quarantine period shall automatically be renewed and shall continue to be valid sixty (60) days after the end of the government-imposed quarantine period."[32]

On May 3, 2020, Solicitor General Jose C. Calida, through a press release, "warned the [NTC] against granting ABS-CBN provisional authority to operate while the approval of its franchise is pending in Congress." He further declared that "the NTC [C]ommissioners could risk subjecting themselves to prosecution under the country's anti-graft and corruption laws should they issue the 'unlawful' [provisional authorities] to ABS-CBN in the absence of a franchise."[33]

For his part, the DOJ Secretary "[stood] by [his] position that there is sufficient equitable basis to allow broadcast entities to continue operating while the bills for the renewal of their franchise[s] remain pending with Congress."[34] Also, several lawmakers disagreed with the Solicitor General's statements, including Chairperson Alvarez who said that "[w]ith the legal opinion of the [DOJ] and the authority given by the House of

---

[30] See *id.* at 17-18.

[31] Re: "IMPLEMENTATION OF ENHANCED COMMUNITY QUARANTINE OVER ENTIRE LUZON ISLAND INCLUDING METRO MANILA." *Id.* at 74-76.

[32] *Id.* at 75. See also *id.* at 21-22.

[33] See *id.* at 22-23.

[34] See *id.* at 23.

Representatives, there is no reason for ABS-CBN to discontinue or stop [its] operations."[35]

On May 4, 2020, ABS-CBN's franchise expired. Hence, on May 5, 2020, the NTC issued the CDO directing ABS-CBN to "immediately **CEASE** and **DESIST** from operating [the enumerated[36]] radio and television stations." The CDO was based

[35] See *id.* at 23-24.

[36] *Id.* at 63-64. The following radio and TV stations were directed to cease and desist from operating:

Case No.	Call Sign	Frequency	Location
AM Radio Stations			
87-006	DZMM-AM	630 kHz	Obando, Bulacan
81-067	DYAP-AM	765 kHz	Puerto Princesa City, Palawan
90-058	DYAB-AM	1512 kHz	Cebu City
90-062	DXAB-AM	1296 kHz	Davao City, Davao del Sur
95-372	DYRV-AM	[1188 kHz]	Catbalogan City, Western Samar
FM Radio Stations			
87-006	DWRR-FM	[101.9 MHz]	Antipolo City, Rizal
88-141	DZRR-FM	103.1 MHz	Baguio City, Benguet
94-150	DWEL-FM	[95.5 MHz]	San Nicolas, Ilocos Norte
95-181	DWEC-FM	94.3 MHz	Dagupan City, Pangasinan
2016-026	DWBA-FM	[91.3 MHz]	Santiago City, Isabela
81-067	DYCU-FM	99.9 MHz	Puerto Princesa City, Palawan
93-089	DWRD-FM	[93.9 MHz]	Legaspi City, Albay
95-183	DWAC-FM	93.5 MHz	Naga City, Camarines Sur
2016-025	PA	99.3 MHz	Roxas City, Capiz
95-185	DYMC-FM	[91.1 MHz]	Iloilo City
88-140	DYOO-FM	101.5 MHz	Bacolod, Negros Occidental
88-142	DYLS-FM	97.1 MHz	Cebu City, Mt. Busay
95-187	DYTC-FM	[94.3 MHz]	Tacloban City, Leyte
95-182	DXFH-FM	[98.7 MHz]	Zamboanga City, Zamboanga del Sur
88-139	DXRR-FM	101.1 MHz	Davao City, Davao del Sur
97-093	DXBC-FM	92.7 MHz	General Santos City [(Lagao)], South Cotabato
94-149	DXPS-FM	95.1 MHz	Cotabato City, Maguindanao
95-184	DXEC-FM	91.9 MHz	Cagayan de Oro City, Misamis Oriental

solely on the "expiration of RA 7966."[37] Consequently, on even date, ABS-CBN complied with the CDO and went off-air.[38]

TV Stations			
87-006	DWWX-TV	Ch. 2	Quezon City, Metro Manila
2000-143	DWAC-TV	Ch. 23	Quezon City, Metro Manila
94-193	DZRR-TV	Ch. 32	Mt. Sto. Tomas, Benguet
87-125	D-3-ZO	Ch. 2 (in) Ch. 3 (out)	Mt. Sto. Tomas, Benguet
89-068	D-11-ZZ	Ch. 2 (in) Ch. 11 (out)	Mt. Amuyao, Mt. Province
95-082	DWRD-TV	Ch. 7	San Nicolas, Ilocos Norte
2003-089	DZCG-TV	Ch. 11	Bantay (Mt. Kaniao), Ilocos Sur
2008-134	DWBK-TV	Ch. 34	Bantay (Mt. Kaniao), Ilocos Sur
97-274	DWAI-TV	Ch. 2	Santiago City, Isabela
96-338	DWAF-TV	Ch. 3	Tuguegarao, Cagayan
2007-138	DWAX-TV	Ch. 9	Aparri, Cagayan
2009-085	DWCM-TV	Ch. 11	Basco, Batanes
2004-093	DWBY-TV	Ch. 34	San Miguel, Bulacan
2002-110	DWTC-TV	Ch. 34	Tarlac City, Tarlac
2003-087	DWIN-TV	Ch. 46	San Fernando, Pampanga
89-025	D-12-ZT	Ch. 2 (in) Ch. 12 (out)	Olongapo City, Zambales
89-031	D-13-ZA	Ch. 2 (in) Ch. 13 (out)	Botolan, Zambales
2007-135	DZAB-TV	Ch. 11	San Jose, Occidental Mindoro
2005-022	DWAR-TV	Ch. 40	Jala-Jala Rizal
2003-08895-082	DWLY-TV	Ch. 46	San Pablo City, Laguna
89-022	DZAD-TV Relay	Ch. 2 (in) Ch. 10 (out)	Mt. Banoy, Batangas
2007-147	DZAC-TV	Ch. 7	Virac, Catanduanes
99-252	DWAW-TV	Ch. 7	Sorsogon, Sorsogon
89-030	DZNC-TV	Ch. 11	Naga City, Camarines Sur
89-029	DZAE-TV	Ch. 4	Legaspi City, Mt. Bariw, Albay
89-026	D-10-ZC	Ch. 4 (in) Ch. 10 (out)	Tabaco, Albay
87-126	DYXL-TV	Ch. 4	Murcia, Mt. Kanlandong, Negros Occidental
97-283	DYEZ-TV	Ch. 9	Kalibo, Aklan
94-189	DYAJ-TV	Ch. 38	Iloilo City, Iloilo
94-188	DYAT-TV	Ch. 40	Bacolod City, Negros Occidental
87-128	DYCB-TV	Ch. 3	Cebu City, Mt. Busay, Cebu
89-023	D-9-YA	Ch. 3 (in) Ch. 9 (out)	Jagna, Bohol

On May 7, 2020, ABS-CBN filed the instant Petition for *Certiorari* and Prohibition (With Urgent Applications for the Issuance of a [TRO] and/or a [WPI]) before the Court, claiming that the NTC committed grave abuse of discretion in issuing the CDO.[39]

In its petition, **ABS-CBN mainly argues that instead of issuing the CDO, the NTC should have allowed ABS-CBN to continue its operations pending Congress' determination of whether or not to renew its legislative franchise based**

96-022	DYMA-TV	Ch. 12	Valencia, Mt. Palimpinon, Negros Oriental
93-041	DYAB-TV	Ch. 2	Tacloban City, Mt. Naga-Naga, Leyte
2000-211	DXLL-TV	Ch. 3	Zamboanga City, Zamboanga del Sur
2006-095	DXCS-TV	Ch. 4	Cagayan de Oro City, Misamis Oriental
96-219	DXAG-TV	Ch. 4	Iligan City, Lanao del Norte
89-027	D-2-XB	Ch. 3 (in) Ch. 2 (out)	Mt. Kitanglad, Bukidnon
87-129	DXAS-TV	Ch. 4	Davao City, Davao del Sur
95-133	DXZT-TV	Ch. 3	General Santos City, South Cotabato
96-220	DXAI-TV	Ch. 5	Cotabato City, Maguindanao
97-290	DXAJ-TV	Ch. 11	Butuan City, Agusan del Norte
DTTB Stations for Implementation			
2007-142	PA	Ch. 21	Aparri, Cagayan
2008-094	PA	Ch. 34	Bayombong, Nueva Vizcaya
97-288	PA	Ch. 9	Hondagua, Quezon
2007-140	PA-TV	Ch. 21	Brooke's Point, Palawan
97-284	PA-TV	Ch. 7	Cadiz City, Negros Occidental
97-287	PA-TV	Ch. 2	Toledo City, Cebu
97-204	PA-TV	Ch. 37	Cebu City, Cebu
94-190	DXAE-TV	Ch. 25	Zamboanga City, Zamboanga del Sur
2008-089	PA-TV	Ch. 21	Kidapawan, Cotabato
94-192	DXAF-TV	Ch. 24	General Santos City, South Cotabato

[37] See *id.* at 43-49.

[38] See *id.* at 25.

[39] Separately, ABS-CBN clarifies that the CDO also directed it to "SHOW CAUSE . . . why [the] frequencies assigned to it should not be recalled for lack of the necessary Congressional Franchise as required by law" and that this portion of the said order is not being assailed (see *id.*).

on the bills already filed therefor. In this regard, ABS-CBN posits that "the plenary power of Congress to grant or renew a franchise necessarily includes the corollary power to define and preserve rights and obligations pending its final determination of the matter."[40] Therefore, by disregarding the pending bills for the renewal of ABS-CBN's franchise, the NTC gravely abused its discretion in issuing the assailed CDO.[41]

Also, ABS-CBN asserts that the CDO violated its right to equal protection of the laws, pointing out that the NTC deviated from its past practice to allow broadcasting entities to continue operating pending Congress' action on the renewal or extension of their franchises.[42]

Furthermore, ABS-CBN decries a transgression of its right to due process since the NTC issued the CDO without any prior notice or hearing and by ignoring the serious and irreparable damage that the CDO will inflict on it and its employees.[43]

Finally, ABS-CBN maintains that the CDO compromised the right to public information, especially in this time of public health emergency where it plays a significant role, and that it necessarily amounts to a limitation, if not, curtailment, of the freedom of speech and of the press with prior restraint.[44]

Incidents After the Filing of the Petition

On May 11, 2020, the NTC received a Show Cause Order[45] from the House of Representatives, requiring it to explain why it should not be cited in contempt for issuing the CDO against ABS-CBN.[46] In a letter-response[47] dated May 12, 2020,

---

[40] *Id.* at 34.

[41] See *id.* at 33-36.

[42] See *id.* at 37-43.

[43] See *id.* at 43-46.

[44] See *id.* at 46-49.

[45] *Id.* at 637-638.

[46] *Id.* at 348.

[47] *Id.* at 475-477.

the NTC explained that in view of the wording of the Constitution and related laws, as well as prevailing jurisprudence on the matter, **it could not issue a provisional authority in favor of ABS-CBN pending the deliberations of the Congress on its franchise, as to do so would amount to an encroachment into the exclusive power of Congress to grant legislative franchises to broadcasting companies**. Expressing regret over its failure to notify the House of Representatives of its decision to issue the assailed CDO, the NTC assured that it will abide **by any law passed by Congress** regarding the matter.[48]

On May 18, 2020, ABS-CBN filed an Urgent Reiterative Motion for the Issuance of a [TRO] and/or a [WPI],[49] pointing out that on May 13, 2020, House Bill No. (HB) 6732, entitled "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," was filed before the House of Representatives, seeking to grant ABS-CBN a provisional franchise until October 31, 2020 to "give both the House of Representatives and the Senate [ample time] to hear the issues being raised for and against the renewal, and assess, with complete impartiality and fairness, whether or not the network shall be granted a franchise for another twenty-five (25) years."[50] While highlighting that HB 6732 had already been approved on second reading by the House of Representatives convened as a "Committee of the Whole" and that the members of the Senate had also expressed their willingness to act swiftly on the matter, ABS-CBN nevertheless lamented that it will still take some time before HB 6732 is passed into law. In this light, and in order to avert any grave and irreparable injury to it, its employees, various stakeholders, and the public in general, ABS-CBN reiterated

---

[48] See *id.*

[49] See Urgent Reiterative Motion for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction dated May 18, 2020; *id.* at 573-581.

[50] See *id.* at 574.

its prayer for the Court to immediately issue a TRO or WPI to, in the meantime, restrain the implementation of the CDO.[51]

In a Resolution dated May 19, 2020, the Court resolved to: *(a)* require the NTC to comment on the petition and urgent applications for the issuance of a TRO and/or WPI; *(b)* separately implead the House of Representatives and the Senate as parties to this case and require them to likewise comment on the petition and urgent applications for a TRO and/or WPI; and *(c)* require NTC to file a reply to the aforesaid comments of the House of Representatives and Senate. The Court further resolved to deny the motion to consolidate this case with G.R. No. 251932.[52]

Complying with the Court's directive, the NTC, through the Office of the Solicitor General (OSG), filed its Comment (with Omnibus Motion)[53] dated May 25, 2020, raising both procedural and substantive arguments in support of the dismissal of the instant petition. In its Omnibus Motion, the NTC further prayed that **the Senate and the House of Representatives should be discharged as parties to the instant case, since they are not real parties-in-interest or indispensable parties herein as no relief has been claimed by ABS-CBN as against them but only as against the NTC**.[54]

In response, ABS-CBN filed a Motion for Leave to File Opposition to Omnibus Motion and Opposition to Omnibus Motion,[55] positing that the Senate and the House of Representatives were rightly impleaded in this case, since the issue herein concerns their constitutional power to grant a

---

[51] See *id.* at 574-579.

[52] See Resolution dated May 19, 2020 signed by Clerk of Court Edgar O. Aricheta; *id.* at 320-AA-320-CC.

[53] *Id.* at 338-434.

[54] See *id.* at 423-427.

[55] See Motion for Leave to File Opposition to Omnibus Motion and Opposition to Omnibus Motion dated June 1, 2020; *id.* at 495-511.

legislative franchise, and the CDO is an incursion into the auxiliary power of Congress to preserve the rights of a franchise applicant.[56]

For its part, the Senate filed its Manifestation (In Lieu of Comment Re: Resolution dated May 19, 2020)[57] dated May 28, 2020. **Praying that it be discharged as a party to the case**, the Senate echoed the NTC's Omnibus Motion that it is neither an indispensable party nor a necessary party to the case, invoked the principle of separation of powers, and pointed out that there is no claim, counterclaim, or cross-claim against it.[58]

On June 1, 2020, the House of Representatives filed its Comment *Ad Cautelam*,[59] similarly seeking to be discharged as a party to the case since there is no cause of action or any relief sought by ABS-CBN as against it in the petition. Moreover, the House of Representatives asserted that any inquiry into its actions at this stage in the deliberations on ABS-CBN's franchise will be premature and offensive to the doctrine of separation of powers.[60]

The Issue Before the Court

The primordial issue for the Court's resolution is whether or not the NTC gravely abused its discretion in issuing the assailed CDO against ABS-CBN.

The Court's Ruling

In light of the supervening denial of the pending House bills for the renewal of ABS-CBN's legislative franchise, the Court finds it appropriate to **dismiss** this case on the ground of mootness. The Court explains.

---

[56] See *id.* at 497-508.

[57] See Manifestation (In Lieu of Comment Re: Resolution dated May 19, 2020) dated May 28, 2020; *id.* at 596-600.

[58] See *id.* at 597.

[59] See Comment *Ad Cautelam* dated June 1, 2020; *id.* at 605-629.

[60] See *id.* at 607 and 620-621.

At the onset, it is imperative to point out that based on our Constitution and laws, **a legislative franchise is both a pre-requisite and a continuing requirement** for broadcasting entities to broadcast their programs through television and radio stations in the country.

Broadly speaking, "a franchise is defined to be a **special privilege** to do certain things conferred by government on an individual or corporation, and **which does not belong to citizens generally of common right**."[61] Insofar as the great powers of government are concerned, "[a] franchise is basically a **legislative grant** of a **special privilege** to a person."[62] In *Associated Communications & Wireless Services v. NTC (Associated Communications)*,[63] the Court defined a "franchise [as] the **privilege** granted by the State through its **legislative body** x x x subject to regulation by the State itself by virtue of its police power through its administrative agencies."[64] On this score, Section 11, Article XII of the 1987 Constitution further states that "for the operation of a public utility," no "such franchise or right [shall] be granted except under the condition that it shall be subject to amendment, alteration, or repeal **by the Congress** when the common good so requires."[65]

With respect to the broadcast industry, Section 1 of Act No. 3846,[66] as amended, clearly provides that "[n]o person, firm,

---

[61] *Land Transportation Office v. City of Butuan*, 379 Phil. 887, 896 (2000); emphases supplied.

[62] *Francisco, Jr. v. Toll Regulatory Board*, 648 Phil. 54, 91 (2010); emphasis and underscoring supplied. See also *Philippine Amusement and Gaming Corporation v. Bureau of Internal Revenue*, 749 Phil. 1010, 1026 (2014).

[63] 445 Phil. 621 (2003).

[64] *Id.* at 628; emphasis supplied.

[65] Emphasis and underscoring supplied.

[66] Entitled "AN ACT PROVIDING FOR THE REGULATION OF RADIO STATIONS AND RADIO COMMUNICATIONS IN THE PHILIPPINE ISLANDS, AND FOR OTHER PURPOSES," approved on November 11, 1931.

company, association or corporation shall construct, install, establish, or operate a radio station within the Philippine Islands **without having first obtained a franchise therefor from the Philippine Legislature** x x x."[67] It has also been clarified in *Associated Communications* that a congressional franchise is required to operate radio, as well as television stations, in light of the subsequent issuance of Presidential Decree No. (PD) 576-A.[68]

In this relation, Section 6 of PD 576-A further imposes, as an additional requirement to operate a radio or television station, an "authority" coming from "the Board of Communications and the Secretary of Public Works and Communications or their successors [(*i.e.*, the NTC[69])] who have the right and authority to assign to qualified parties frequencies, channels or other means of identifying broadcasting systems." In *Divinagracia v. Consolidated Broadcasting System, Inc. (Divinagracia)*,[70] citing *Associated Communications*, this Court ruled that the legislative franchise requirement under Act No. 3846, as amended, was not repealed by the additional requirement imposed in PD 576-A.[71] Instead, they co-exist. Thus, in *Divinagracia*, it was explained that:

Broadcast and television stations are required to obtain a legislative franchise, a requirement imposed by the Radio Control Act and affirmed by our ruling in *Associated Broadcasting.* After securing their legislative franchises, stations are required to obtain CPCs from the NTC before they can operate their radio or television broadcasting systems. Such requirement while traceable also to

---

[67] Emphasis supplied.

[68] Entitled "REGULATING THE OWNERSHIP AND OPERATION OF RADIO AND TELEVISION STATIONS AND FOR OTHER PURPOSES" (November 11, 1974).

[69] See Executive Order No. 546, entitled "CREATING A MINISTRY OF PUBLIC WORKS AND A MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (July 23, 1979). See also *Divinagracia v. Consolidated Broadcasting System, Inc.*, 602 Phil. 625 (2009).

[70] *Divinagracia*; *id.*

[71] *Id.* at 652.

the Radio Control Act, currently finds its basis in E.O. No. 546, the law establishing the NTC.[72] (Emphasis supplied)

In this case, ABS-CBN seeks that the Court annul and set aside the CDO issued by the NTC ordering it to cease and desist from operating its radio and television stations enumerated therein. The core of ABS-CBN's petition rests on its argument that **the NTC should not have pre-empted the will of Congress** by directing it (ABS-CBN) to halt its broadcasting operations through said stations **pending the determination of Congress on the renewal of its legislative franchise based on the bills specifically filed therefor**. In other words, ABS-CBN banks on the fact that since Congress has yet to act on these pending bills, there is still a possibility that its legislative franchise would be renewed; hence, the NTC should not have overtaken Congress' action on these pending bills by issuing the assailed CDO. In this regard, ABS-CBN claims that Congress has the "**corollary power**" to define and preserve rights and obligations **pending its final determination on the matter**.[73] Notably, ABS-CBN's position is echoed in the "guidance" issued by the DOJ Secretary, which submits that the plenary power of Congress includes the **auxiliary power** to define and preserve the rights of the franchise applicant **pending final determination of the renewal of the franchise**.[74]

However, the Court takes judicial notice of the fact that on July 10, 2020, the House Committee on Legislative Franchises had adopted the recommendation of the Technical Working Group (TWG) to "**deny the application of ABS-CBN Corporation for a franchise to construct, install, establish, operate and maintain radio and broadcasting stations in the Philippines**"[75] by an overwhelming 70 affirmative

---

[72] *Id.* at 655-656.

[73] *Rollo*, pp. 35-36.

[74] See *id.* at 72.

[75] Per the Photo Journal released by the Congress (see <http://www.congress.gov.ph/photojournal/zoom.php?photoid=2427> [last visited July 17, 2020]).

votes[76] from the 85 voting members present.[77] While ABS-CBN states that there are two (2) pending bills for the renewal of its legislative franchise authored by members of the Senate,[78]

---

[76] The members who voted to deny ABS-CBN's franchise applications were: Representatives Raneo Abu, Cyrille Abueg-Zaldivar, Gil Acosta, Atonio Albano, Samantha Louise Alfonso, Juan Miguel Macapagal-Arroyo, Cristal Bagatsing, Julienne Baronda, Elpidio Barzaga, Jr., Claudine Bautista, Juan Pablo Bondoc, Antonio Calixto, Prescious Castelo, Joaquin Chipeco, Jr., Ma. Theresa Collantes, Anthony Peter Crisologo, Francisco Datol, Mike Defensor, Paulo Duterte, Faustino Michael Dy, Faustino V. Dy, Ian Paul Dy, Conrado Estrella III, Ria Christina Fariñas, Dan Fernandez, Bayani Fernando, Luis Ferrer IV, Pablo John Garcia, Janette Garin, Sharon Garin, Weslie Gatchalian, Sandro Gonzales, Eduardo Gullas, Bernadette Herrera-Dy, Dulce Ann Hofer, Eleandro Jesus Madrona, Dale Malapitan, Esmael Mangudadatu, Rodante Marcoleta, Eric Martinez, Francisco Matugas, Raymond Mendoza, Roger Mercado, John Marvin Nieto, Jose Fidel Nograles, Jericho Nograles, Henry Oaminal, Joseph Stephen Paduano, Wilter Palma II, Enrico Pineda, Jesus Crispin Remulla, Strike Revilla, Yedda Romualdez, Ferdinand Martin Romualdez, Xavier Jesus Romualdo, Deogracias Savellano, Frederick Siao, Jose Singson, Jr., Jose Antonio Sy-Alvarado, Alyssa Sheena Tan, Sharee Ann Tan, Arnolfo Teves, Jr., Abraham Tolentino, Allan Ty, Christian Unabia, Rolando Valeriano, Luis Villafuerte, Jr., Camille Villar, Eric Yap, and Divina Grace Yu. See <https://www.philstar.com/headlines/2020/07/10/2027049/list-lawmakers-who-voted-and-against-abs-cbn-franchise-renewal> (last visited August 14, 2020).

[77] From the 85 members, 11 voted to grant ABS-CBN's franchise applications, namely: Representatives Sol Aragones, Christopher De Venecia, Carlos Zarate, Gabriel Bordado, Vilma Santos, Lianda Bolilia, Jose Tejada, Bienvenido Abante, Stella Quimbo, Mujiv Hataman, and Edward Maceda; while 2 inhibited, namely: Representative Alfred Vargas (Quezon City) and Micaela Violago (Nueva Ecija). Representative Franz Alvarez, as the Speaker of the House, did not vote. See <https://www.cnn.ph/news/2020/7/10/How-lawmakers-voted-ABS-CBN-franchise-.html> (last visited August 14, 2020).

[78] SB 981 (18th Congress), entitled "AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966, ENTITLED 'AN ACT GRANTING THE ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES'" <https://www.senate.gov.ph/lisdata/3138928283!.pdf> (last visited on July 17, 2020); and SB 1403 (18th Congress), entitled "AN ACT RENEWING FOR ANOTHER

the Constitution provides that private bills,[79] such as those pertaining to the grant or renewal of a franchise, *must exclusively originate from the lower house of Congress*.[80] Accordingly, these pending Senate bills were referred to the Senate Committee on Rules,[81] and now, the Senate Committee on Public Services.[82] Pursuant to existing jurisprudence, these "substitute" bills are nonetheless only prepared in anticipation of the corresponding bill from the lower House, and that the action of the Senate as a body is withheld pending receipt of the said House bill.[83] The anticipated House bills raised in the petition,

---

TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966, ENTITLED 'AN ACT GRANTING THE ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES'" <https://www.senate.gov.ph/lisdata/3249929369!.pdf> (last visited on July 17, 2020).

[79] A private bill is defined as a "[l]egislation that benefits an individual or a locality." (See <https://legal-dictionary.thefreedictionary.com/private+bills> [last visited August 18, 2020]). "Every bill for the particular benefit of a person or company, or a locality in which the whole community is not interested, is, in a parliamentary sense, a private bill." (*People v. Supervisors of Chautauqua*, 43 NY 10 1870).

[80] Section 24, Article VI of the CONSTITUTION reads:

Section 24. All appropriation, revenue or tariff bills, bills authorizing increase of the public debt, bills of local application, and private bills shall originate exclusively in the House of Representatives, but the Senate may propose or concur with amendments.

[81] See Section 16 of the RULES OF THE SENATE which reads:

Section 16. All appropriations, revenue or tariff bills, bills authorizing increase of public debt, bills of local application, and private bills authored and filed by Members of the Senate shall be initially referred to the Committee on Rules.

[82] See <http://senate.gov.ph/lis/bill_res.aspx?congress=18&q=SBN-981> and <http://senate.gov.ph/lis/bill_res.aspx?congress=18&q=SBN-1403> (last visited August 18, 2020).

[83] "Indeed, what the Constitution simply means is that the initiative for filing revenue, tariff, or tax bills, bills authorizing an increase of the public debt, private bills and bills of local application must come from the House

however, had already been passed upon by the House Committee on Legislative Franchises, and as mentioned, had already been denied. As explicitly stated in the TWG's recommended resolution which was adopted by the House Committee on Legislative Franchises, the denial pertained to "**all of the House Bills and House Resolutions relative to the grant or renewal of the franchise application of ABS-CBN Corporation [which were] hereby laid on the table**," clearly showing that the "committee action on a bill or resolution is unfavorable,"[84] *viz.*:

RESOLUTION

DENYING THE FRANCHISE APPLICATION OF ABS-CBN CORPORATION TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND BROADCASTING STATIONS IN THE PHILIPPINES

---

of Representatives on the theory that, elected as they are from the districts, the members of the House can be expected to be more sensitive to the local needs and problems. On the other hand, the senators, who are elected at large, are expected to approach the same problems from the national perspective. Both views are thereby made to bear on the enactment of such laws.

Nor does the Constitution prohibit the filing in the Senate of a substitute bill in anticipation of its receipt of the bill from the House, so long as action by the Senate as a body is withheld pending receipt of the House bill." (*Tolentino v. Secretary of Finance*, G.R. No. 115455, August 25, 1994, 235 SCRA 630, 663).

"The filing in the Senate of a substitute bill in anticipation of its receipt of the bill from the House, does not contravene the constitutional requirement that [appropriation, revenue or tariff bills, bills authorizing increase of the public debt, bills of local application, and private bills] should originate in the House of Representatives, for as long as the Senate does not act thereupon until it receives the House bill." (*Alvarez v. Guingona, Jr.*, 322 Phil. 774, 787 [1996]).

[84] Section 49 of the RULES OF THE HOUSE OF REPRESENTATIVES states:

Section 49. *Bills Unfavorably Acted Upon*. — When a committee action on a bill or resolution is unfavorable, the bill or resolution shall be laid on the table. The author(s) shall be notified in writing and, as far as practicable, through electronic mail of the action within five (5) days after the bill or resolution has been laid on the table, stating the reason(s) therefor.

WHEREAS, Republic Act (RA) No. 7966 granted ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) a franchise to construct, operate and maintain television and radio broadcasting stations throughout the Philippines;

WHEREAS, prior to expiration of RA No. 7966 on 05 May 2020, several House Bills and House Resolutions were filed including House Bill Nos. 676, 3521, 3713, 3947, 4305, 5608, 5705, 5753, 6052, 6138, 6293 and 6694, and House Resolution Nos. 639 and 853 relative to the grant or renewal of ABS-CBN Corporation's franchise;

WHEREAS, the Committee on Legislative Franchises sought the position of the stakeholders, relevant government agencies and constituencies on the franchise application of ABS-CBN Corporation;

WHEREAS, the Committee on Legislative Franchises conducted its initial hearing on March 10, 2020 and the Joint Committees on Legislative Franchises and Good Government and Public Accountability conducted extensive hearings from May 26 to July 9, 2020 to discuss the various issues raised against ABS-CBN Corporation;

WHEREAS, the Committee on Legislative Franchises created a Technical Working Group (TWG) to discuss the findings and recommend a decision of the Committee on Legislative Franchises on the franchise application of ABS-CBN Corporation;

WHEREAS, the TWG, after due consideration of the testimonies, documents, submissions and arguments has come up with its findings and recommendations contained in the TWG Report;

WHEREAS, the TWG recommended to deny the franchise application of ABS-CBN Corporation and the Committee on Legislative Franchises to adopt its recommendation;

NOW THEREFORE BE IT RESOLVED AS IT IS HEREBY RESOLVED, that **the members of the Committee on Legislative Franchises <u>deny</u> the application of ABS-CBN Corporation for a franchise to construct, install, establish, operate and maintain radio and broadcasting stations in the Philippines**;

RESOLVED FURTHER that, pursuant to Section 49 of the 18th Congress Rules of the House of Representatives, **all of the House Bills and House Resolutions relative to the grant or renewal of the franchise application of ABS-CBN Corporation are hereby laid on the table**; and the authors thereof shall be notified in writing

and, as far as practicable, through electronic mail of the action within five (5) days stating the reason(s) thereof.

x x x x x x x x x (Emphases and underscoring supplied)

Indeed, **the adoption of the TWG's recommendation by the House Committee on Legislative Franchises is considered as the official expression of the legislative will that has dispelled any previous uncertainty regarding ABS-CBN's franchise status insofar as the pending franchise renewal bills are concerned**. Hence, the supervening denial of these bills means that ABS-CBN cannot any more invoke the same as basis for continuing the operation of the radio and television networks covered by the CDO issued by the NTC. Accordingly, the issue on the "corollary/auxiliary" powers of Congress **pending** the renewal of these bills had already been rendered moot.

To expound, "[a] case or issue is considered moot and academic when it ceases to present a justiciable controversy **by virtue of supervening events**, so that an adjudication of the case or a declaration on the issue would be of **no practical value or use**. In such instance, **there is no actual substantial relief which <u>a petitioner</u> would be entitled to**, and **which would be negated by the dismissal of the petition**. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness. This is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced."[85]

Because of the aforementioned supervening event, **there is no actual substantial relief which petitioner ABS-CBN would be entitled to** *regardless of this Court's disposition on the merits of the present petition*. To demonstrate, *should the Court dismiss the petition on the merits*, the dismissal would only validate and sustain respondent NTC's CDO and hence, accord ABS-

---

[85] *Peñafrancia Sugar Mill, Inc. v. Sugar Regulatory Administration*, 728 Phil. 535, 540 (2014), also cited in *Sze v. Bureau of Internal Revenue*, G.R. No. 210238, January 6, 2020; emphases and underscoring supplied.

CBN no relief at all. On the other hand, *should the Court grant the petition on the merits*, the nullification of the CDO will be of no practical consequence since based on our Constitution and laws, a legislative franchise is necessary for a broadcasting entity to legally operate its radio and television stations. **Thus, even if the CDO is annulled as prayed for, ABS-CBN cannot altogether resume its broadcast operations through its radio and television stations because its legislative franchise therefor had already expired and that, considering the denial of the House Committee on Legislative Franchises, has not been renewed.**

While indeed Congress has the plenary power to grant or renew legislative franchises and that this power has no time limitation, it must be borne in mind that ABS-CBN's petition against the NTC is specifically anchored on the uncertainty that the then-pending franchise renewal bills may be granted by Congress and hence, in the meantime, should have precluded the NTC from issuing any interim CDO pending Congress' determination on the matter. However, since these bills had already been denied, ABS-CBN's position lost its foundation and more so, legitimizes the current state of affairs that ABS-CBN cannot legally operate its radio and television operations absent a legislative franchise therefor. Suffice it to say that any future favorable action upon a newly-filed franchise renewal bill goes beyond the scope of this case, which is anchored only on the franchise renewal bills pending in Congress at the time the NTC issued the assailed CDO. Besides, a broadcasting entity with an expired legislative franchise cannot simply bank on the speculation of any future favorable congressional action on its expired franchise since to do so would permit it to indefinitely circumvent the constitutional and statutory requirement of a valid and subsisting legislative franchise altogether.

At any rate, the Court finds that ABS-CBN failed to provide sufficient legal basis to support its theory on Congress' so-called "corollary/auxiliary" powers pending determination of the renewal of its expired franchise. On the contrary, what is

sufficiently clear to the Court is that, under our present legal framework, a legislative franchise granting broadcasting entities the privilege to broadcast their programs through television and radio stations in the country must be in the form of a duly enacted law. *The congressional deliberations on pending bills are not equivalent and cannot take the place of a duly enacted law, which requires the entire constitutional process for legislation to take its full course*. Neither can it be inferred from our Constitution and our present statutes that temporary statutory privileges may be accorded to a franchise applicant pending deliberation of a franchise grant or renewal. Indeed, it is only upon the completion of the full law-making procedure in accordance with the parameters prescribed by the Constitution can it be said that Congress has granted a broadcasting entity the statutory privilege to so broadcast its programs through its television and radio stations. Absent a valid and subsisting legislative franchise embodied in a duly passed law, no such statutory privilege, even if temporary, can be enjoyed.

On this note, it is apt to explain that it was actually because of ABS-CBN's argument on Congress' so-called "corollary/ auxiliary" powers that the Court deemed it necessary to implead[86] the two (2) Houses of Congress as parties to this case if only to accord them the opportunity to be heard. Notably, the Court's directive to implead was made prior to the denial of the franchise renewal bills as above-mentioned. Nonetheless, both the Senate and the House of Representatives requested not to participate in the proceedings, considering that petitioner ABS-CBN has not, in fact, asked for any relief against them but only against the NTC which issued the assailed CDO. As the Court's only intention was to accord its co-equal branch of government due process because of the prospect of tackling a delicate constitutional issue, and considering now that the pertinent issue affecting them had already been rendered moot, the Court therefore grants the requests of both Houses to be

---

[86] See Court's Resolution dated May 19, 2020 (see *rollo*, pp. 320-AA-320-CC).

discharged as parties to this case as prayed for in their submissions. "Parties may be dropped or added by order of the court on motion of any party or on its own initiative at any stage of the action and on such terms as are just."[87]

Finally, the Court recognizes that ABS-CBN also raises grounds other than its theory on "corollary/auxiliary" powers. These are: *(a)* violation of the equal protection clause given that the NTC has in the past allowed broadcast entities to operate pending renewal of their franchises; *(b)* violation of due process as it was not given the opportunity to be heard before the CDO was issued; and *(c)* violation of freedom of the press and the right to public information because of its "significant role" in disseminating news during this public health emergency.[88] All the same, however, the resolution of these issues cannot yield any actual practical relief in favor of ABS-CBN because, by force of our Constitution and laws, it cannot be allowed to legally operate the television and radio stations covered by the said CDO absent a legislative franchise for this purpose, and considering the fact that the pending bills for its renewal had already been denied through official congressional action.

In closing, while the Court understands the plight and concerns of ABS-CBN, its employees, and its supporters in general, it wishes to emphasize that the act of granting or renewing legislative franchises is beyond the Court's power. Congress has the **sole authority** to grant and renew legislative franchises for broadcasting entities, such as ABS-CBN, to legally broadcast their programs through allocated frequencies for the purpose. As it presently stands, the legislative branch of our government has yet to grant or renew ABS-CBN's legislative franchise, which decision — whether fortunate or unfortunate — this Court must impartially respect, else it violates the fundamental principle of separation of powers.

WHEREFORE, the Court resolves to: (1) **DROP** the House of Representatives and the Senate of the Philippines as parties

---

[87] RULES OF COURT, Section 11, Rule 3.

[88] See *rollo*, pp. 46-49.

to this case; and (2) **DISMISS** the petition on the ground of mootness.

SO ORDERED.

Peralta, C.J., Caguioa, Gesmundo, Reyes, Jr., Hernando, Carandang, Lazaro-Javier, Inting, Zalameda, Lopez, Delos Santos, and *Gaerlan, JJ.*, concur.

Leonen, J., see separate concurring opinion, concurs in the result.

Baltazar-Padilla, J., on official leave.

SEPARATE CONCURRING OPINION

LEONEN, *J.*:

I concur in the result of the *ponencia* written by the esteemed Senior Associate Justice Estela Perlas-Bernabe. This Petition became moot the moment the House Committee on Legislative Franchises denied petitioner ABS-CBN Corporation's application for franchise renewal.

The non-renewal was ***not*** made an issue in this case, and petitioner filed no supplemental pleading either. Thus, any resolution here would have been limited to issues originally raised, namely: (1) whether a *status quo ante* order should have been issued; and (2) under the special circumstances of this case, whether respondent National Telecommunications Commission gravely abused its discretion in issuing the Cease and Desist Order while the House was deliberating on the renewal.

However, even with the issues that constrain us, I find that this case is capable of repetition yet evading review. For one, this could happen again to any other media network. Its consequences affect the shaping of public opinion, since we deal here with the media and journalists, those who assist the electorate and the people, as sovereign, in exercising their right to freely express well-considered opinions.

Therefore, I deem it my duty to state my opinion on some of the fundamental issues raised in the Petition as guidance for the Bench and Bar. I would have voted to issue a *status quo ante* order and eventually declare that respondent gravely abused its discretion in its unprecedented issuance of the Cease and Desist Order — more so when viewed in the context of this case and the regulatory agency's policy.

Freedom of expression is a primordial right. Amid the ever complex digital means of communication now within the public's grasp, the media plays a large role to provide not only information, but information that is factual and true — that which is governed by the code of journalistic ethics, and which belies the irresponsible posts and rumors on social media.

Just the same, broadcast media remains one of the major channels of information today. Hence, to silence a network of such huge scale, one that has provided vital news to the country — now, more than ever, amid the pandemic — is not only *prima facie* censorship, but is an outright denial of information from the Filipino people who need it most.

Given that other media giants with expired franchises had been allowed to operate pending the renewal of their applications, and considering the House's documented delay in acting on petitioner's franchise, respondent's extraordinary action not only took the House by surprise, but also affected the sovereign discussion on matters related to the governance of the arts.

I

A *status quo* has been defined as "the last actual peaceful uncontested situation that precedes a controversy."[1] In its ordinary meaning, "*status quo* is the existing state of affairs[,] while *status quo ante* refers to the state of affairs that existed

[1] *Los Baños Rural Bank, Inc. v. Africa*, 433 Phil. 930, 945 (2002) [Per *J*. Panganiban, Third Division] citing *Verzosa v. Court of Appeals*, 359 Phil. 425 (1998) [Per *J*. Panganiban, First Division]. *See* also *Rodulfa v. Alfonso*, 76 Phil. 225, 231-232 (1946) [Per *J*. De Joya, *En Banc*] citing *Fredericks v. Huber*, 180 Pa., 572; 37 Atl., 90.

previously."[2] *Status quo ante* is a Latin term for "the way things were before." When an order of this nature is imposed, it is to maintain the state of things existing before the controversy.[3]

Status quo ante is an interlocutory order[4] created by this Court *En Banc*. This Court, in fact, stated that "courts are now powerless to fashion a remedy" when a changed situation of the parties would be utterly unfair, and "equitable considerations require that the *status quo ante* be restored."[5]

Our jurisprudence is replete with instances of how *status quo ante* orders have been issued. As the long succession of cases will show, this Court has repeatedly restored the *status quo ante* for several compelling reasons that cater to the demands of justice and equity.

Status quo ante first appeared in our jurisprudence in 1913. In *Molina v. Somes*,[6] the plaintiff submitted to this Court that "when an appeal is taken without *supersedeas*, and the judgment appealed from is executed, and subsequently reversed, the appellee is bound to restore the *status quo ante* or respond in damages for his failure or inability so to do."[7] Though this Court mainly ruled on the plaintiff's change of theory, it stated that "many actions would be fruitless if the plaintiff could not obtain an injunction to maintain the *status quo* until the final determination of the rights of the parties."[8]

It was only in 1946, however, when this Court first used the term *status quo ante*. In *Beltran v. Diaz*,[9] it was faced by a *fait*

---

[2] *Dynamic Builders & Construction Co. (Phil.), Inc. v. Presbitero, Jr.*, 757 Phil. 454, 481 (2015) [Per *J.* Leonen, *En Banc*].

[3] *Remo v. Bueno*, 784 Phil. 344, 385 (2016) [Per *J.* Leonardo-de Castro, *En Banc*].

[4] *Dimayuga v. Commission on Elections*, 550 Phil. 387, 394 (2007) [Per *J.* Azcuna, *En Banc*].

[5] *Ralla v. Ralla*, 132 Phil. 517 (1968) [Per *J.* Sanchez, *En Banc*].

[6] 24 Phil. 49 (1913) [Per *J.* Moreland, First Division].

[7] *Id.* at 55.

[8] *Id.* at 63.

[9] 77 Phil. 484 (1946) [Per *J.* Sanchez, *En Banc*].

accompli after the People's Court had canceled the petitioner's bail and had him arrested despite lack of evidence to cancel the bail. This Court upheld its duty to "restore petitioner to his *status quo ante* as far as is possible" by allowing his release upon the filing and approval of a new bail bond.[10]

Reverting to the issue of execution pending appeal raised in *Molina*, this Court in the 1948 case of *Naredo v. Yatco*[11] held that, "where the executed judgment is reversed on appeal, the trial court shall issue such orders of restitution as equity and justice may warrant" and "the appellees [are] bound to restore the *status quo ante* or respond in damages for their failure to do so."[12] In *Villanueva v. Pelayo*,[13] where the plaintiff secured the execution of the judgment only three days after its rendition, this Court held that this was an execution pending appeal, and thus, provided measures to restore the *status quo ante*.[14]

On the other hand, there are early cases when this Court refused to restore the *status quo ante*. In the 1950 case of *Juan P. Pellicer & Co., Inc. v. Philippine Realty Corporation*,[15] this Court found that doing so would undo the consolidation of the original titles to the parcels of land and be a waste of time, effort, and money, when there was still a pending action. Similarly, in the 1960 case of *Inco v. Enriquez*,[16] this Court refused a return to the *status quo ante* when the agreement's annulment would amount to fraud, not further public policy, and defy all justice and equity. It explained that "[t]he interests of society demand that bad faith and fraud be severely repressed,

---

[10] *Id.* at 491.

[11] 80 Phil. 220 (1948) [Per *J.* Bengzon, *En Banc*] citing *Molina vs. Somes*, 24 Phil. 49, 55 [Per *J.* Moreland, First Division]; Moran op. cit. Vol. I, p. 648.

[12] *Id.* at 224.

[13] 110 Phil. 602 (1960) [Per *J.* Bengzon, *En Banc*].

[14] *Id.* at 605.

[15] 87 Phil. 302 (1950) [Per *J.* Tuason, *En Banc*].

[16] 107 Phil. 226 (1960) [Per *J.* Reyes, J.B.L., *En Banc*].

and the Courts cannot consent to their furtherance, directly or indirectly."[17] This Court has also held that the *status quo ante* cannot be restored when the acts complained of have been done or executed.[18]

Status quo ante has also been applied in discussing moral damages. In 1964, Justice J.B.L. Reyes, in his concurring and dissenting opinion in *Pangasinan Transportation Company, Inc. v. Legaspi*,[19] coined the term "spiritual *status quo ante*" as the aim of an award of moral damages:

> Moral damages are emphatically not intended to enrich a complainant at the expense of a defendant; they are awarded only to enable the injured party to obtain means, diversions or amusements that will serve to alleviate the moral suffering he has undergone, by reason of the defendant's culpable action. . . . In other words, the award of moral damages is aimed at a restoration, within the limits of the possible, of the spiritual *status quo ante*: and, therefore, it must be proportionate to the suffering inflicted. The intensity of the pain experienced by the relatives of the victim is proportionate to the intensity of the affection for him and bears no relation whatever with the wealth or means of the offender. The death caused by a beggar is felt by the parents of the victim as intensely as that caused by the scion of a wealthy family.[20] (Citation omitted)

This doctrine has been cited as early as 1979 in *Grand Union Supermarket, Inc. v. Espino, Jr.*[21] It was subsequently affirmed in *Filinvest Credit Corporation v. The Intermediate Appellate Court*,[22] *Makabali v. Court of Appeals*,[23] *Spouses de la Serna*

---

[17] *Id.* at 230.

[18] *Los Baños Rural Bank, Inc. v. Africa*, 433 Phil. 930, 945-946 (2002) [Per *J*. Panganiban, Third Division]. *See* also *Remonte v. Bonto*, 123 Phil. 63 (1966) [Per *J*. Sanchez, *En Banc*].

[19] 120 Phil. 1379 (1964) [Per *J*. Regala, First Division].

[20] *Id.* at 1385.

[21] 183 Phil. 507 (1979) [Per *J*. Guerrero, First Division].

[22] 248 Phil. 394 (1988) [Per *J*. Sarmiento, Second Division].

[23] 241 Phil. 260 (1988) [Per *J*. Fernan, Third Division].

v. Court of Appeals,[24] *Samson v. Bank of the Philippine Islands*,[25] *City Government of Tagaytay v. Judge Guerrero*,[26] *Jarcia, Jr. v. People*,[27] and in the recent case of *Guy v. Tulfo*.[28]

In 1968, this Court first applied *status quo ante* in election cases. In *Pacis v. Commission on Elections*,[29] it annulled the petitioner's proclamation and the respondent's subsequent proclamation as mayor-elect, holding that "the case stands as if no proclamation has ever been made at all" and that both parties must "return to *status quo ante* — neither is proclaimed."[30]

Also in 1968, this Court held that a decision may be set aside, and the *status quo ante* be restored, when the compromise agreement from which the decision was rendered is tainted with fraud, mistake or duress, or when one of the parties fails or refuses to comply with it.[31] In 1972, this Court in *Bahanuddin v. Hidalgo*[32] affirmed its duty to restore the *status quo ante* if the court below had no jurisdiction and the writ of replevin was void *ab initio*. That same year, this Court in *Banzon v. Cruz*[33] restored the *status quo ante* after finding that the petitioners' lots were wrongfully taken.

Status quo ante has likewise been applied in contracts as early as 1972. In *Luzon Brokerage Company, Inc. v. Maritime*

---

[24] 303 Phil. 333 (1994) [Per *J*. Kapunan, First Division].

[25] 453 Phil. 577 (2003) [Per *J*. Panganiban, Third Division].

[26] 616 Phil. 28 (2009) [Per *J*. Nachura, Third Division].

[27] 682 Phil. 317 (2012) [Per *J*. Mendoza, Third Division].

[28] G.R. No. 213023, April 10, 2019 <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65234> [Per *J*. Leonen, Third Division].

[29] 130 Phil. 545 (1968) [Per *J*. Sanchez, *En Banc*].

[30] *Id.* at 566.

[31] *Arrieta v. Malayan Sawmill Co.*, 133 Phil. 481, 485-486 (1968) [Per *C.J*. Concepcion, *En Banc*].

[32] 150 Phil. 495 (1972) [Per *J*. Reyes, J.B.L., First Division].

[33] 150-A Phil. 865 (1972) [Per *J*. Teehankee, *En Banc*].

Building Company, Inc.,[34] this Court held, albeit indirectly, that the restoration of the parties to the *status quo ante* is contemplated by Article 1592 of the Civil Code.[35] In *Floro Enterprises, Inc. v. Court of Appeals*,[36] this Court concluded that the cancellation of the agreement meant restoring the *status quo ante*, or before the agreement was executed.

Conversely, *status quo ante* has been applied in rescissions of contracts. In *Reyes v. Lim*,[37] this Court decided that rescission will not be ordered unless there can be restitution or the *status quo ante* is restored. In *Pryce Corporation v. Philippine Amusement and Gaming Corporation*,[38] it held that a rescinded contract is deemed inexistent and restored the *status quo ante*.

Courts likewise applied *status quo ante* in labor cases. In 1982, this Court declared in *Philippines Inter-Fashion, Inc. v. National Labor Relations Commission*[39] that, because of the illegal strike and the illegal lockout, both parties were *in pari delicto*, warranting the restoration of the *status quo ante*.

Later, in 1984, this Court in *Union of Supervisors (RB) Natu v. Secretary of Labor*[40] held that "[t]he Labor Code provision on reinstatement . . . is aimed to restore the situation as nearly as possible to *status quo ante*" or before "the unfair labor practice."[41] It later clarified in *Santos v. National Labor Relations Commission*[42] and in *Torillo v. Leogardo*[43] that when an

---

[34] 150 Phil. 114 (1972) [Per *J.* Reyes, J.B.L., First Division].

[35] *Id.* at 130.

[36] 319 Phil. 473 (1995) [Per *J.* Feliciano, Third Division].

[37] 456 Phil. 1, 12 (2003) [Per *J.* Carpio, First Division].

[38] 497 Phil. 490 (2005) [Per *J.* Panganiban, Third Division].

[39] 203 Phil. 23 (1982) [Per *J.* Teehankee, First Division].

[40] 213 Phil. 398 (1984) [Per *J.* Makasiar, Second Division].

[41] *Id.* at 407-408.

[42] 238 Phil. 161 (1987) [Per *J.* Feliciano, Third Division].

[43] 274 Phil. 758 (1991) [Per *C.J.* Fernan, Third Division].

employee who was unjustly dismissed is reinstated, the employee is restored to the position they were removed from; that is, the *status quo ante*.[44]

Furthermore, in *YSS Employees Union v. YSS Laboratories, Inc.*,[45] this Court held that the Secretary of Labor did not commit grave abuse of discretion in issuing orders preserving the *status quo ante*, considering that it was done for the common good, and that the lingering strike could be inimical to both the employer's and employee's interests.

In recent years, election cases that saw *status quo ante* orders have been on a rise. Among others, in *Asistio v. Judge Aguirre*,[46] this Court issued a *status quo ante* order pending a determination of whether the petitioner should be excluded from the permanent voters' list of Caloocan City for not complying with the residency rule.

In *Mitra v. Commission on Elections*,[47] this Court issued a *status quo ante* order allowing the petitioner to be voted in the May 2010 elections, pending a determination of whether his certificate of candidacy was properly canceled. In *Amora v. Commission on Elections*,[48] this Court issued a similar order pending a determination of whether the petitioner's disqualification due to a defective notarization of his certificate of candidacy was proper. In *Sabili v. Commission on Elections*,[49] the same order required the parties to observe the *status quo* prevailing before the issuance of the assailed Commission on Elections resolutions.

In *Jalosjos v. Commission on Elections*,[50] this Court issued a *status quo ante* order enjoining the Commission on Elections

---

[44] *Id.* at 766.

[45] 622 Phil. 201 (2009) [Per *J*. Chico-Nazario, Third Division].

[46] 633 Phil. 523 (2010) [Per *J*. Nachura, *En Banc*].

[47] 636 Phil. 753 (2010) [Per *J*. Brion, *En Banc*].

[48] 655 Phil. 467 (2011) [Per *J*. Nachura, *En Banc*].

[49] 686 Phil. 649 (2012) [Per *J*. Sereno, *En Banc*].

[50] 686 Phil. 563 (2012) [Per *J*. Abad, *En Banc*].

from enforcing its decision, pending a determination of whether the petitioner may run as governor. In *Atong Paglaum, Inc. v. Commission on Elections*,[51] it issued *status quo ante* orders for all 54 consolidated petitions, pending a determination of whether the 52 party-list groups may participate in the May 2013 elections.

Likewise, when constitutional issues are raised, this Court does not hesitate to order a *status quo ante* while the constitutionality of the laws and issuances in question were being determined.

A prime example is *Tatad v. Secretary of Energy*,[52] where Republic Act No. 8180, a law that would have deregulated the downstream oil industry, was declared unconstitutional. Acting[53] on a motion for reconsideration, this Court emphasized that the remedy to prevent the revival of an unwanted *status quo ante*, as a result of the law being unconstitutional, lies with Congress, which may enact the necessary remedial legislation.

Likewise, in *Neri v. Senate Committee on Accountability*,[54] where the primary issue was the petitioner's claim to executive privilege, a *status quo ante* order enjoined the contempt order from being implemented, and the parties were required to observe the *status quo* prior to the assailed order. This order was later nullified. In *Strategic Alliance Development Corporation v. Radstock Securities, Ltd.*,[55] which involved the ₱6.185 billion pillage of public coffers, this Court issued a similar order preventing the compromise agreement from taking effect. This agreement was later declared unconstitutional.

In *Gutierrez v. House of Representatives*,[56] this Court issued a *status quo ante* order in the petitioner's favor, where the issue

---

[51] 707 Phil. 454 (2013) [Per *J*. Carpio, *En Banc*].

[52] 346 Phil. 321 (1997) [Per *J*. Puno, *En Banc*].

[53] *Tatad v. Secretary of Energy*, 347 Phil. 1 (1997) [Per *J*. Puno, *En Banc*].

[54] 572 Phil. 554 (2008) [Per *J*. Leonardo-De Castro, *En Banc*].

[55] 622 Phil. 431 (2009) [Per *J*. Carpio, *En Banc*].

[56] 658 Phil. 322 (2011) [Per *J*. Carpio Morales, *En Banc*].

involved the validity of the impeachment complaints against her. In *Bankers Association of the Philippines v. Commission on Elections*,[57] the *status quo ante* order hindered the implementation of the Commission on Elections' Money Ban Resolution for the May 2013 elections while its constitutionality was being determined. In *Spouses Imbong v. Ochoa*,[58] the *status quo ante* order went against the implementation of the Responsible Parenthood and Reproductive Health Act pending the issue of its constitutionality. Finally, in *Ocampo v. Mendoza*,[59] the *status quo ante* order enjoined the parties to observe the *status quo* before the Radio Frequency Identification Project was implemented, so as to not render the petition moot and "to prevent serious damage" that its implementation would bring.[60]

Moreover, courts issue mandatory writs to restore matters to the *status quo ante* when the restraining order or preliminary injunction had been properly issued.[61] The sole object of a preliminary injunction is to preserve the *status quo* until the merits of the case can be heard.[62] In *Overseas Workers Welfare Administration v. Chavez*,[63] this Court defined *status quo*, *status quo ante litem*, and preliminary injunction, as follows:

More significantly, ***a preliminary injunction is merely a provisional remedy, an adjunct to the main case subject to the latter's outcome,***

---

[57] *Bankers Association of the Philippines v. Commission on Elections*, 722 Phil. 92 (2013) [Per *J*. Brion, *En Banc*].

[58] 732 Phil. 1 (2014) [Per *J*. Mendoza, *En Banc*].

[59] 804 Phil. 638 (2017) [Per *C.J*. Sereno, *En Banc*].

[60] *Id.* at 650.

[61] *Banzon v. Cruz*, 150-A Phil. 865, 898 (1972) [Per *J*. Teehankee, *En Banc*] citing *Comm. of Public Highways v. San Diego*, 142 Phil. 553 (1970) [Per *J*. Teehankee, First Division].

[62] See *Philippine National Bank v. Castalloy*, 684 Phil. 438 (2012) [Per *J*. Reyes, Second Division]; *Los Baños Rural Bank, Inc. v. Africa*, 433 Phil. 930 (2002) [Per *J*. Panganiban, Third Division]; *Ramos v. Court of Appeals*, 246 Phil. 591 (1988) [Per *J*. Sarmiento, Second Division]; *Rodulfa v. Alfonso*, 76 Phil. 225 (1946) [Per *J*. De Joya, *En Banc*].

[63] 551 Phil. 890 (2007) [Per *J*. Chico-Nazario, Third Division].

the sole objective of which is to preserve the status quo until the trial court hears fully the merits of the case. The *status quo* should be that existing at the time of the filing of the case. The *status quo* usually preserved by a preliminary injunction is the last actual, peaceable and uncontested status which preceded the actual controversy. The *status quo ante litem* is, ineluctably, the state of affairs which is existing at the time of the filing of the case. Indubitably, the trial court must not make use of its injunctive power to alter such status.[64] (Emphasis supplied)

However, in *Garcia v. Mojica*[65] and *Megaworld Properties and Holdings, Inc. v. Majestic Finance and Investment Company, Inc.*,[66] this Court categorically differentiated a *status quo ante* order from a temporary restraining order and a preliminary injunction. Quoting Justice Florenz D. Regalado, this Court explained in both cases:

There have been instances when the Supreme Court has issued a *status quo* order which, as the very term connotes, is merely intended to maintain the last, actual, peaceable and uncontested state of things which preceded the controversy. *This was resorted to when the projected proceedings in the case made the conservation of the status quo desirable or essential, but the affected party neither sought such relief or the allegations in his pleading did not sufficiently make out a case for a temporary restraining order.* The *status quo* order was thus issued *motu proprio* on equitable considerations. Also, *unlike a temporary restraining order or a preliminary injunction, a status quo order is more in the nature of a cease and desist order*, since it neither directs the doing or undoing of acts as in the case of prohibitory or mandatory injunctive relief. The further distinction is provided by the present amendment in the sense that, unlike the amended rule on restraining orders, a *status quo* order does not require the posting of a bond.[67] (Emphasis supplied)

---

[64] *Id.* at 911-912.

[65] 372 Phil. 892 (1999) [Per *J.* Quisumbing, Second Division].

[66] 775 Phil. 34 (2015) [Per *J.* Bersamin, First Division].

[67] *Id.* at 52 and *Garcia v. Mojica*, 372 Phil. 892, 900 (1999) [Per *J.* Quisumbing, Second Division] *citing* FLORENZ D. REGALADO, *I REMEDIAL LAW COMPENDIUM* 651 (6th Revised Ed., 1997).

Thus, in *Repol v. Commission on Elections*,[68] and likewise in *Dojillo v. Commission on Elections*,[69] this Court annulled the *status quo ante* orders issued by the Commission on Elections for having been issued with grave abuse of discretion. In both cases, this Court noted that the orders were actually temporary restraining orders that had automatically ceased effect.

Unlike in a *status quo ante* order where no specific rule governs, Rule 58 of the Rules of Court specifically provides for the issuance of a temporary restraining order and a preliminary injunction when certain requirements are met. Section 3 enumerates the grounds for the issuance of a preliminary injunction, as follows:

SECTION 3. Grounds for issuance of preliminary injunction. — A preliminary injunction may be granted when it is established:

a) That the applicant is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission or continuance of the act or acts complained of, or in requiring performance of an act or acts, either for a limited period or perpetually;

b) That the commission, continuance or non-performance of the act or acts complained of during the litigation would probably work injustice to the applicant; or

c) That a party, court, agency or a person is doing, threatening, or is attempting to do, or is procuring or suffering to be done, some act or acts probably in violation of the rights of the applicant respecting the subject of the action or proceeding, and tending to render the judgment ineffectual.

Before a writ of preliminary injunction, whether mandatory or prohibitory, may be issued, the following requisites must first be proven:

(1) The applicant must have a clear and unmistakable right to be protected, that is a right in *esse*;

---

[68] 472 Phil. 335 (2004) [Per *J*. Carpio, *En Banc*].

[69] 528 Phil. 890 (2006) [Per *J*. Carpio, *En Banc*].

(2) There is a material and substantial invasion of such right;

(3) There is an urgent need for the writ to prevent irreparable injury to the applicant; and

(4) No other ordinary, speedy, and adequate remedy exists to prevent the infliction of irreparable injury.[70]

In *Los Baños Rural Bank, Inc. v. Africa*,[71] this Court expounded on these requisites:

[I]njunction, like other equitable remedies, should be issued only at the instance of a suitor who has sufficient interest in or title to the right or the property sought to be protected. It is proper only when the plaintiff appears to be entitled to the relief demanded in the complaint. In particular, the existence of the right and the violation thereof must appear in the allegations of the complaint and must constitute at least a *prima facie* showing of a right to the final relief. Thus, there are two requisite conditions for the issuance of a preliminary injunction; namely, (1) the right to be protected exists *prima facie*, and (2) the acts sought to be enjoined are violative of that right. It must be proven that the violation sought to be prevented would cause an irreparable injustice.

Further, while a clear showing of the right is necessary, its existence need not be conclusively established. In fact, the evidence required to justify the issuance of a writ of preliminary injunction in the hearing thereon need not be conclusive or complete. The evidence need only be a "sampling" intended merely to give the court an idea of the justification for the preliminary injunction, pending the decision of the case on the merits. Thus, to be entitled to the writ, respondents are only required to show that they have the ostensible right to the final relief prayed for in their Complaint.[72] (Citations omitted)

To entitle the applicant to an injunctive writ, a clear legal right — a right "clearly founded in or granted by law" — must

---

[70] *Bicol Medical Center v. Botor*, 819 Phil. 447, 458 (2017) [Per *J*. Leonen, Third Division] citing *St. James College of Parañaque v. Equitable PCI Bank*, 641 Phil. 452, 466 (2010) [Per *J*. Velasco, Jr., First Division].

[71] 433 Phil. 930 (2002) [Per *J*. Panganiban, Third Division].

[72] *Id.* at 941.

exist.[73] No injunction can be granted in the absence of a clear legal right,[74] as in this case.

The requirement of a clear legal right, however, is not necessary for the issuance of a *status quo ante* order.

As seen in our jurisprudence, when issuing a *status quo ante* order, this Court is guided by a number of factors: justice and equity considerations, when conservation of the *status quo* is desirable or essential, the prevention of any serious damage, and where constitutional issues are raised. As all of these considerations are present in this case, I would have voted to issue a *status quo ante* order.

II

Petitioner successfully showed an ostensible right to the relief it prayed for. Respondent's May 5, 2020 Order directing petitioner to "immediately cease and desist from operating its radio and televisions stations" was issued with grave abuse of discretion — and for many reasons.

II (A)

First, the Cease and Desist Order was served on petitioner without prior notice or hearing. This is a violation of its right to due process.

Due process is guaranteed by the Constitution[75] and extends to administrative proceedings.[76] At the heart of procedural due

---

[73] *Bicol Medical Center v. Botor*, 819 Phil. 447, 461 (2017) [Per *J.* Leonen, Third Division] citing *Executive Secretary v. Forerunner Multi Resources, Inc.*, 701 Phil. 64 (2013) [Per *J.* Carpio, Second Division].

[74] *Dynamic Builders & Construction Co. (Phil.), Inc. v. Presbitero, Jr.*, 757 Phil. 454, 470 (2015) [Per *J.* Leonen, *En Banc*].

[75] CONST., Art. III, Sec. 1 states:

SECTION 1. No person shall be deprived of life, liberty or property without due process of law, nor shall any person be denied the equal protection of the laws.

[76] See *Montoya v. Varilla*, 595 Phil. 507 (2008) [Per *J.* Chico-Nazario, *En Banc*]; *Globe Telecom, Inc. v. National Telecommunications Commission*, 479 Phil. 1 (2004) [Per *J.* Tinga, Second Division].

process is the need for notice and an opportunity to be heard.[77] In *Central Bank of the Philippines v. Cloribel*:[78]

Previous notice and hearing, as elements of due process, are constitutionally required for the protection of life or vested property rights, as well as of liberty, when its limitation or loss takes place in consequence of a judicial or quasi-judicial proceeding, generally depend[e]nt upon a *past* act or event which has to be established or ascertained . . .

> . . . [T]he necessity of notice and hearing in an administrative proceeding depends on the character of the proceeding and the circumstances involved. In so far as generalization is possible in view of the great variety of administrative proceedings, it may be stated as a general rule that notice and hearing are not essential to the validity of administrative action where the administrative body acts in the exercise of executive, administrative, or legislative functions; but *where a public administrative body acts in a judicial or quasi-judicial matter, and its acts are particular and immediate rather than general and prospective, the person whose rights or property may be affected by the action is entitled to notice and hearing*.[79] (Emphasis supplied)

Moreover, in *Montoya v. Varilla*,[80] this Court ruled:

Well-settled is the rule that the essence of due process is simply an opportunity to be heard or, as applied to administrative proceedings, an opportunity to explain one's side or an opportunity to seek a reconsideration of the action or ruling complained of. Unarguably, this rule, as it is stated, strips down administrative due process to its most fundamental nature and sufficiently justifies freeing administrative proceedings from the rigidity of procedural requirements. In particular, however, due process in administrative proceedings has also been recognized to include the following: (1) the right to actual or constructive notice of the institution of proceedings which may affect

---

[77] *Montoya v. Varilla*, 595 Phil. 507, 519 (2008) [Per *J*. Chico-Nazario, *En Banc*].

[78] 150-A Phil. 86 (1972) [Per *J*. Concepcion, Second Division].

[79] *Id.* at 101-102.

[80] 595 Phil. 507 (2008) [Per *J*. Chico-Nazario, *En Banc*].

a respondent's legal rights; (2) a real opportunity to be heard personally or with the assistance of counsel, to present witnesses and evidence in one's favor, and to defend one's rights; (3) a tribunal vested with competent jurisdiction and so constituted as to afford a person charged administratively a reasonable guarantee of honesty as well as impartiality; and (4) a finding by said tribunal which is supported by substantial evidence submitted for consideration during the hearing or contained in the records or made known to the parties affected.

Hence, even if administrative tribunals exercising quasi-judicial powers are not strictly bound by procedural requirements, they are still bound by law and equity to observe the fundamental requirements of due process. Notice to enable the other party to be heard and to present evidence is not a mere technicality or a trivial matter in any administrative or judicial proceedings. In the application of the principle of due process, what is sought to be safeguarded is not lack of previous notice but the denial of the opportunity to be heard.[81] (Citations omitted)

In line with due process, Commonwealth Act No. 146 or the Public Service Act, as amended, requires proper notice and hearing before a certificate of public convenience/permit/license may be suspended or revoked.[82]

Under the National Telecommunications Commission's 2006 Rules of Practice and Procedure, before an entity could be subjected to a disciplinary measure for violating any law, rule, or regulation, the Commission must first serve a *show cause order*. This order contains "the particulars and matters which the Commission is inquiring"; likewise, it calls upon respondents to file a verified answer at the stated place and time and to "explain why no judgment or action" should be taken against them.[83] The Commission may also conduct a summary proceeding within 72 hours of the parties' receipt of its order.[84] Within 15 days, it shall require the submission of position

[81] *Id.* at 519-520.

[82] Commonwealth Act No. 146 (1936), as amended, Sec. 16 (m) and (n).

[83] NTC RULES (2006), Rule 10, Sec. 4.

[84] NTC RULES (2006), Rule 10, Sec. 5.

papers and memoranda. When some issues need clarifying, the Commission shall set a conference for it.[85]

Likewise, the Commission may, in its discretion, issue a cease and desist order in the following cases: (1) "if the continued acts of the public's utility operator shall cause serious detriment to public interest and the security of the state"; and (2) "in cases of willful or unreasonable refusal" to comply with any order of the Commission, or with other relevant laws.[86]

In this case, petitioner was not given proper notice and hearing. Instead, on May 5, 2020, respondent hastily issued a Cease and Desist Order,[87] which merely states as basis that upon expiration of Republic Act No. 7966, the law that had granted petitioner's franchise, petitioner "no longer has a valid and subsisting congressional franchise."[88] It cites Section 1 of Act No. 3846,[89] which provides:

> SECTION 1. No person, firm, company, association, or corporation shall construct, install, establish, or operate a radio transmitting station, or a radio receiving station used for commercial purposes, or **a radio broadcasting station**, without having first obtained a franchise therefor from the Congress of the Philippines.[90]

Respondent knew very well that petitioner's franchise was about to expire and bills for its renewal were pending in Congress. In fact, Commissioner Gamaliel Cordoba (Cordoba) himself, who co-penned the Cease and Desist Order, had participated

---

[85] NTC RULES (2006), Rule 10, Sec. 5.

[86] NTC RULES (2006), Rule 10, Sec. 5.

[87] The Order was signed by Commissioner Gamaliel A. Cordoba and Deputy Commissioners Edgardo V. Cabarios and Delilah F. Deles.

[88] *Id.* at 2.

[89] An Act Providing for the Regulation of Radio Stations and Radio Communications in the Philippine Islands, and for Other Purposes (1931) was amended by Commonwealth Act No. 365 (1938), Commonwealth Act No. 571 (1940), and Republic Act No. 584 (1950).

[90] Act No. 3846, as amended by Commonwealth Act No. 571 (1940).

in the February 24, 2020 hearing of the Senate Committee on Public Services, where issues on the franchise renewal were discussed.[91] Respondent had every opportunity to abide by its own rules of procedure to ascertain what action is appropriate to take — including whether a cease and desist order should be issued. But, for whatever reason, it chose not to do so. Instead, it blatantly violated petitioner's right to due process and openly defied Congress' prerogative.

As stated earlier, respondent anchored the Cease and Desist Order simply on the expiration of the franchise. This does not even fall within any of the two instances mentioned in respondent's own Rules of Practice and Procedure to justify the issuance of such order.

Moreover, the Order commanded petitioner to ***immediately*** cease and desist from operating the radio and television stations listed therein. This took effect upon petitioner's receipt of the Order, without giving the latter an opportunity to explain. As such, the Cease and Desist Order is actually in the nature of a preliminary injunction as it enjoins petitioner from continuing the operation of its broadcast stations.

In *GMA Network, Inc. v. National Telecommunications Commission*,[92] this Court recognized the National Telecommunications Commission's power to issue a cease and desist order as a provisional relief during the pendency of an action. A cease and desist order was compared to a *status quo* order because it "does not direct the doing or undoing of acts[.]"[93] However, in that same case, this Court clarified that if the cease and desist order is more of a preliminary injunction, compliance with the essential requisites of a writ of preliminary injunction is necessary before it may be issued.

As has been enumerated earlier, these requisites are the following:

---

[91] Transcript of the February 24, 2020 Senate Hearing, attached to the Petition as Annex "E".

[92] 780 Phil. 244 (2016) [Per *J.* Brion, Second Division].

[93] *Id.* at 253.

(1) there exists a clear and unmistakable right to be protected; (2) this right is directly threatened by an act sought to be enjoined; (3) the invasion of the right is material and substantial; and (4) there is an urgent and paramount necessity for the writ to prevent serious and irreparable damage.[94] (Citation omitted)

None of these essential requisites were met in this case. At any rate, it is hard to conceive how it would be for the public's best interests to enjoin petitioner from going on air, or how the public would be seriously and irreparably injured by allowing petitioner to continue its broadcast operations. Neither has any urgent and paramount need been shown for the Cease and Desist Order to be issued.

On the other hand, this Court has held that a license "is an operating authority of importance involving primarily the interest of the public," and the "valuable rights and investments made in reliance on a license . . . should not be destroyed . . . except for the most compelling reasons."[95]

II (B)

Second, even if petitioner's permits were to be rendered expired *ipso facto* upon the expiry of the legislative franchise, the issuance of the Cease and Desist Order would still be improper. Petitioner would still have the authority to continue, in light of the grace period that respondent itself gave in Memorandum Order No. 02-03-2020 dated March 16, 2020.[96]

In this Memorandum Order, which was signed by Cordoba, respondent expressly stated:

---

[94] *Id.* at 254.

[95] *Lemi v. Valencia*, 135 Phil. 185, 199 (1968) [Per *J.* Castro, *En Banc*].

[96] Implementation of Enhanced Community Quarantine over Entire Luzon Island Including Metro Manila. The Memorandum Order was signed by NTC Commissioner Gamaliel A. Cordoba and noted by Secretary Gregorio B. Honasan II of the Department of Information and Communications Technology. Available at <https://ntc.gov.ph/wp-content/uploads/2020/05/MO-02-03-20.pdf> (last accessed on August 24, 2020).

C. ON THE MANAGEMENT OF PERMITS

All subsisting permits, permits necessary to operate and maintain broadcast and pay TV facilities nationwide expiring within the quarantine period ***shall automatically be renewed and shall continue to be valid sixty (60) days after the end of the government-imposed quarantine period.*** Thereafter, these stations shall be given sixty (60) days to file for the renewal of their permits/licenses without penalties or surcharges. (Emphasis supplied)

In the same Memorandum Order, respondent expressly acknowledged that "broadcast and pay TV networks and [their] supporting infrastructures will continue to play a critical role in [the] government's efforts to provide timely and accurate information to the public during this critical period."

Furthermore, in the February 24, 2020 Senate hearing, Cordoba admitted that the respondent regulatory agency has not withdrawn any provisional authority in the past[97] nor closed broadcast companies due to an expired franchise. Instead, it allowed them to operate while their franchises were pending renewal.[98]

Thus, not only was the Cease and Desist Order contrary to respondent's own Memorandum Order granting the grace period, but it is also contrary to respondent's own policy of allowing broadcast companies to continue their operations pending their franchise renewal.

To be sure, such inconsistent decisions demand no less than a thorough explanation, lest they be deemed arbitrary. In this Court's words in *Globe Telecom, Inc. v. National Telecommunications Commission*:[99]

[W]e think it essential, for the sake of clarity and intellectual honesty, that if an administrative agency decides inconsistently with previous action, that it explain thoroughly why a different result is warranted,

---

[97] Transcript of the February 24, 2020 Senate Hearing, attached to the Petition as Annex "E", p. 47.

[98] *Id.* at 48.

[99] 479 Phil. 1 (2004) [Per *J.* Tinga, Second Division].

or if need be, why the previous standards should no longer apply or should be overturned. Such explanation is warranted in order to sufficiently establish a decision as having rational basis. Any inconsistent decision lacking thorough, ratiocination in support may be struck down as being arbitrary. And any decision with absolutely nothing to support it is a nullity.[100]

Unfortunately, the Cease and Desist Order fails to explain why respondent accorded petitioner a different regulatory treatment from other broadcasting stations.

The Cease and Desist Order's issuance is a serious error tantamount to grave abuse of discretion. In issuing it, respondent has singled out petitioner without any reasonable basis, in violation of the equal protection guarantee under the Constitution:

"Equal protection of the laws" requires that "all persons . . . be treated alike, *under like circumstances and conditions* both as to privileges conferred and liabilities enforced." The purpose of the equal protection clause is to secure every person within a state's jurisdiction against intentional and arbitrary discrimination, whether occasioned by the express terms of a statute or by its improper execution through the state's duly constituted authorities."[101] (Citations omitted)

III

Again, we look into Section 1 of Act No. 3846, as amended, cited by respondent in its Cease and Desist Order. It states:

SECTION 1. No person, firm, company, association, or corporation shall construct, install, establish, or operate a radio transmitting station, or a radio receiving station used for commercial purposes, or ***a radio broadcasting station***, without having first obtained a franchise therefor from the Congress of the Philippines. (Emphasis supplied)

A perusal of Section 1, as amended, would readily show that it does not include television broadcast stations in the

---

[100] *Id.* at 33-34.

[101] *Provincial Bus Operators Association of the Philippines v. Department of Labor and Employment*, G.R. No. 202275, July 17, 2018, 872 SCRA 50, 134 [Per *J.* Leonen, *En Banc*].

enumeration. This Court had previously observed that despite the advent of commercial television in the 1950s, there was no corresponding amendment to Act No. 3846 to reflect the new technology.[102]

Subsequently, the Public Service Act was passed, creating the Public Service Commission. All public services (save for a few exceptions), including broadcasting stations, were placed within its jurisdiction.[103]

Under Section 13 (a) of the Public Service Act, as amended by Republic Act No. 2677 in 1960, the Public Service Commission was vested with "jurisdiction, supervision and control over all public services"; and, as written under Section 13 (b), public services included wire or wireless communications system and *wire or wireless broadcasting stations*. Hence, radio and television broadcasting stations fall within the jurisdiction and regulatory authority of the Public Service Commission.

In 1972, the Commission was abolished, and its regulatory and adjudicatory functions were transferred to the Board of Communications.[104]

---

[102] See *Divinagracia v. Consolidated Broadcasting System, Inc.*, 602 Phil. 625 (2009) [Per *J*. Tinga, Second Division].

[103] At this point, I take exception to this Court's ruling in *Divinagracia v. Consolidated Broadcasting System, Inc.* that radio broadcasting stations were expressly excluded from the jurisdiction of the Public Service Commission under Section 14 of the Act. I submit that the term "radio companies," which were expressly excluded from the jurisdiction of the Public Service Commission "except as to the fixing of rates" under Section 14 of the Public Service Act, is different from "radio broadcasting stations." These radio companies pertained to telegraphic companies as can be gleaned from the cases cited in *Divinagracia*, namely: *RCPI v. Santiago*, 157 Phil. 484 (1974) [Per *J*. Fernando, Second Division] and *RCPI v. NTC*, 289 Phil. 935 (1992) [Per *J*. Padilla, First Division]. The cited cases involved the same petitioner — Radio Communications Philippines, Inc. — a radio or telegraph company that transmits telegraphic messages of its customers, not a radio broadcasting station.

[104] Presidential Decree No. 1 (1972), Integrated Reorganization Plan of the executive branch.

In 1979, by virtue of Executive Order No. 546, the National Telecommunications Commission was created. It received the functions of the Board of Communications and the Telecommunications Control Bureau, which were both abolished through the same issuance.

Unlike Section 1 of Act No. 3846, as amended, nothing in the Public Service Act, as amended, and in Executive Order No. 546 explicitly required the acquisition of a legislative franchise before a radio and television broadcasting station may operate.

Nonetheless, in *Associated Communications & Wireless Services-United Broadcasting Networks v. National Telecommunications Commission*,[105] this Court ruled that a congressional franchise is necessary to operate a television broadcast. It pointed to Presidential Decree No. 576-A,[106] whose Section 1 expressly referred to the franchise requirement in stating that "[n]o radio station or television channel may obtain a franchise unless it has sufficient capital on the basis of equity for its operation for at least one year," and whose Section 6 made a similar reference to the franchise requirement.

This Court further observed that Executive Order No. 546 did not intend to dispense with the franchise requirement. Rather, in continuing to grant franchises after the executive order had been passed, Congress has actually maintained the franchise requirement.[107]

Later, in *Divinagracia v. Consolidated Broadcasting System*,[108] this Court pronounced that "[b]roadcast and television stations are required to obtain a legislative franchise," and after

---

[105] 445 Phil. 621 (2003) [Per *J*. Puno, Third Division].

[106] Regulating the Ownership and Operation of Radio and Television Stations and for Other Purposes (1974).

[107] *Associated Communications & Wireless Services-United Broadcasting Networks v. National Telecommunications Commission*, 445 Phil. 621, 645 (2003) [Per *J*. Puno, Third Division].

[108] 602 Phil. 625 (2009) [Per *J*. Tinga, Second Division].

doing so, they must also obtain certificates of public convenience from the National Telecommunications Commission before they can operate.[109]

IV

This case, however, is not about a failure to apply for a franchise or to have it renewed, but about the government officials' delay in acting on the franchise renewal until it finally expired. There was, thus, no *prima facie* valid reason for the Cease and Desist Order.

Petitioner's franchise was granted under Republic Act No. 7966.[110] As early as 2014, numerous bills for the franchise's renewal had been filed in the House of Representatives, six years before it expired:

a. House Bill No. 4997,[111] filed by Representative Giorgidi B. Aggabao before the 16th Congress in 2014;

b. House Bill No. 4349,[112] filed by Representative Micaela S. Violago before the 17th Congress on November 10, 2018;

---

[109] *Id.* at 655-656.

[110] An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes (1995).

[111] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http:www.congress.gov.ph/legisdocs/basic_16/HBO4997.pdf> (last accessed on August 24, 2020).

[112] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_17/HBO4349.pdf> (last accessed on August 24, 2020).

c. House Bill No. 676,[113] filed by Representative Micaela S. Violago before the 18th Congress on July 1, 2019;

d. House Bill No. 3521,[114] filed by Representative Rose Marie J. Arenas before the 18th Congress on August 6, 2019;

e. House Bill No. 3713,[115] filed by Representative Joy Myra S. Tambunting before the 18th Congress on August 8, 2019;

f. House Bill No. 3947, filed by Representative Sol S. Aragones before the 18th Congress on August 14, 2019;

g. House Bill No. 4305,[116] filed by Representative Vilma Santos-Recto before the 18th Congress on September 2, 2019;

---

[113] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct[,] Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB00676.pdf> (last accessed on August 24, 2020).

[114] An Act Renewing the Franchise Granted to ABS-CBN Corporation under Republic Act No. 7966 Otherwise Known as "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate, and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes for Twenty-Five (25) Years from the Effectivity of this Act," available at <http://www.congress.gov.ph/legisdocs/basic_18/HB03521.pdf> (last accessed on August 24, 2020).

[115] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB03713.pdf> (last accessed on August 24, 2020).

[116] An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation, presently known as ABS-CBN Corporation, under Republic Act No. 7966, Entitled "An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," available at <http://www.congress.gov.ph/legisdocs/basic_18/HB04305.pdf> (last accessed on August 24, 2020).

h. House Bill No. 5608,[117] filed by Representatives Aurelio D. Gonzales, Jr., Johnny T. Pimentel, and Paulino Salvador C. Leachon before the 18th Congress on November 25, 2019;

i. House Bill No. 5705,[118] filed by Representative Rufus B. Rodriguez before the 18th Congress on December 4, 2019;

j. House Bill No. 5753,[119] filed by Representative Josephine Y. Ramirez-Sato before the 18th Congress on December 9, 2019;

k. House Bill No. 6052,[120] filed by Representatives Carlos Isagani T. Zarate, Ferdinand R. Gaite, Eufemia C.

---

[117] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct[,] Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty[-]Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB05608.pdf> (last accessed on August 24, 2020).

[118] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate, and Maintain Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB05705.pdf>(last accessed on August 24, 2020).

[119] An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Corporation, Presently Known as ABS-CBN Corporation, under Republic Act No. 7966, entitled "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," available at <http://www.congress.gov.ph/legisdocs/basic_18/HB05753.pdf> (last accessed on August 24, 2020).

[120] An Act Renewing the Franchise Granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting ABS-CBN Broadcasting Corporation a Franchise to Construct[,] Install, Establish, Operate, and Maintain Broadcasting Stations

Cullamat, France L. Castro, Arlene D. Brosas, and Sarah Jane I. Elago before the 18th Congress on January 27, 2020;

l. House Bill No. 6138,[121] filed by Representative Mark O. Go before the 18th Congress on January 30, 2020; and

m. House Bill No. 6293,[122] filed by Representative Loren Legarda before the 18th Congress on February 13, 2020.

On January 6, 2020, several representatives filed House Resolution No. 639,[123] urging the House Committee on Legislative Franchises to report, without delay, on the bills regarding petitioner's franchise renewal.

---

in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB06052.pdf> (last accessed on August 24, 2020).

[121] Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," available at <http://www.congress.gov.ph/legisdocs/basic_18/HB06138.pdf> (last accessed on August 24, 2020).

[122] Renewing the Franchise Granted to ABS-CBN Broadcasting Corporation (formerly ABS-CBN Broadcasting Corporation) under Republic Act No. 7966 or "An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes" for Twenty-Five (25) Years from the Effectivity of this Act, available at <http://www.congress.gov.ph/legisdocs/basic_18/HB06293.pdf> (last accessed on August 24, 2020).

[123] Resolution Urging the Committee on Legislative Franchises to Report Out without Further Delay for Plenary Action a Consolidated Version of Eight (8) Pending Bills Proposing the Renewal for Another Twenty-Five (25) Years of the Legislative Franchise of ABS-CBN Corporation, available at <http://www.congress.gov.ph/legisdocs/basic_18/HR00639.pdf> (last accessed on August 24, 2020). Filed by Representatives Edcel Lagman, Micaela Violago, Joy Myra Tambunting, Johnny Pimentel, Doy Leachon, Jocelyn Limkaichong, Emmanuel Billones, Christopher Belmonte, France Castro, Carlos Zarate, Eufemia Cullamat, Ferdinand Gaite, and Arlene Brosas.

The Senate, for its part, likewise filed two (2) bills similarly seeking the franchise renewal: (1) Senate Bill No. 981,[124] filed by Senator Ralph Recto on August 28, 2019; and (2) Senate Bill No. 1403,[125] filed by Senator Ramon Bong Revilla, Jr. on March 5, 2020.

As the franchise was nearing its expiry, Representative Raul del Mar filed House Joint Resolution No. 28[126] on February 18, 2020, seeking an extension until June 20, 2022. On February 26, 2020, two more bills were filed in the House and the Senate, respectively — one until May 4, 2021,[127] and the other until December 31, 2020.[128] The extensions were sought to give both houses of Congress more time to assess the pending bills.

---

[124] Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation, Presently Known as ABS-CBN Broadcasting Corporation, under Republic Act No. 7966, Entitled "An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," available at <http://senate.gov.ph/lisdata/3138928283!.pdf> (last accessed on August 24, 2020).

[125] Renewing for Another Twenty-Five (25) Years the Franchise Granted to ABS-CBN Broadcasting Corporation, Presently Known as ABS-CBN Corporation, under Republic Act No. 7966, Entitled "An Act Granting the ABS-CBN Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Television and Radio Broadcasting Stations in the Philippines, and for Other Purposes," available at <http://senate.gov.ph/lisdata/3249929369!.pdf> (last accessed on August 24, 2020).

[126] Joint Resolution Extending the Franchise of ABS-CBN Corporation until the End of this 18th Congress on June 30, 2020, available at <http://www.congress.gov.ph/legisdocs/basic_18/HJR0028.pdf> (last accessed on August 24, 2020).

[127] Joint Resolution Extending the Franchise of ABS-CBN Corporation until May 4, 2021, available at <http://www.congress.gov.ph/legisdocs/basic_18/HJR0029.pdf> (last accessed on August 24, 2020).

[128] An Act Amending Section 1 of Republic Act No. 7966 to Extend the Term of the Franchise of ABS-CBN Corporation until 31 December 2020, available at <http://senate.gov.ph/lisdata/3240129258!.pdf> (last accessed on August 24, 2020).

On March 10, 2020, the House Committee on Legislative Franchises finally began proceedings for the hearings on these bills.[129] However, when COVID-19 struck the country, deliberations were suspended in view of the enhanced community quarantine.[130]

Nonetheless, while Congress cannot be faulted for suspending the deliberations, the fact remains that as early as 2014, franchise renewal applications had been lodged in Congress. For six long years, these bills had hung like a sword of Damocles over petitioner, leaving it without any clear resolution on whether its franchise would be renewed at all.

The inaction on these pending bills would not have been suspect, had it not been in sharp contrast to Congress' swift action on the franchise renewal of petitioner's leading rival, GMA Network, Inc. House Bill No. 4631 was filed in the 17th Congress on December 7, 2016.[131] Barely a month later, on January 16, 2017, the House approved the bill, and transmitted it to the Senate two days later. The Senate passed the bill on March 13, 2017, and the House concurred with the amendments a day later. Finally, on April 21, 2017, President Rodrigo Duterte (President Duterte) signed the bill into Republic Act No. 10925.[132] The entire renewal process took merely four months and only required the filing of one House bill.

---

[129] Petition, p. 8.

[130] *House suspends work from March 16 to April 12 due to COVID-19 concerns*, ABS-CBN NEWS ONLINE, March 13, 2020, <https://news.abs-cbn.com/news/03/13/20/congress-house-of-representatives-batasan-suspends-work-march-16-to-april-12> (last accessed on August 24, 2020).

[131] H. No. 4631, 17th Cong. (2017), available at <http://www. congress.gov.ph/legisdocs/first_17/CR00040.pdf> (last accessed on August 24, 2020).

[132] An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to Republic Broadcasting System, Inc., Presently Known as GMA Network, Inc., Amending for the Purpose Republic Act No. 7252, Entitled "An Act Granting the Republic Broadcasting System, Inc. a Franchise to

As for petitioner's franchise, there is no clear technical reason why the numerous bills for its renewal stalled in Congress for over half a decade. The closest to it is found in House Resolution No. 639, which stated that the delay was "possibly due to President Duterte's objection to subject renewal[.]"[133] Besides that, no other reason has been offered as to why the House could only act on the bills on March 10, 2020, six years after the first one had been filed.

According to petitioner, its market share is estimated to be anywhere from 31% to 44%, making it one of the largest broadcast stations in the country.[134] This means that petitioner provided access to news and entertainment to the majority population. Therefore, the delay in the franchise renewal deliberations for no technical reason at all effectively silenced petitioner, which amounts to a *prima facie* censorship. This, in the words of Justice J.B.L. Reyes:

> . . . [is] not a mere instance of official indolence, but a subtle attempt to impose absolute radio [and television] censorship, and to silence at will radio [and television] stations which allow airing of views critical of the powers that be. We should be ever alert to such indirect subversion of the constitutional liberties of speech and of the press.[135]

Indeed, such exercise of censorship is an assault on the right to free speech that is engraved in our fundamental law. In *Newsounds Broadcasting Network v. Dy*,[136] this Court elaborated:

Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations in the Philippines (2017). See also the law's legislative history, available at <congress.gov.ph>.

[133] H. Res. 639, 18th Cong. (2020), available at <http://www. congress. gov.ph/legisdocs/basic_18/HR00639.pdf> (last accessed on August 24, 2020).

[134] Petition, p. 37.

[135] *J.* J.B.L. Reyes, Separate Concurring Opinion in *Lemi v. Valencia*, 135 Phil. 185, 200 (1968) [Per *J.* Castro, *En Banc*].

[136] 602 Phil. 255 (2009) [Per *J.* Tinga, Second Division].

[I]t cannot be denied that our Constitution has a systemic bias towards free speech. The absolutist tenor of Section 4, Article III testifies to that fact. The individual discomforts to particular people or enterprises engendered by the exercise of the right, for which at times remedies may be due, do not diminish the indispensable nature of free expression to the democratic way of life.

The following undisputed facts bring the issue of free expression to fore. Petitioners are authorized by law to operate radio stations in Cauayan City, and had been doing so for some years undisturbed by local authorities. Beginning in 2002, respondents in their official capacities have taken actions, whatever may be the motive, that have impeded the ability of petitioners to freely broadcast, if not broadcast at all. These actions have ranged from withholding permits to operate to the physical closure of those stations under color of legal authority. While once petitioners were able to broadcast freely, the weight of government has since bore down upon them to silence their voices on the airwaves. An elementary school child with a basic understanding of civics lessons will recognize that free speech animates these cases.[137]

Furthermore, under Article XII, Section 11 of the Constitution, Congress has the sole prerogative of granting or denying franchises of broadcast networks:

SECTION 11. No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens, nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation in public utilities by the general public. The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines.

---

[137] *Id.* at 269.

In issuing the questioned Cease and Desist Order, respondent undermined this congressional prerogative. In *Divinagracia*,[138] this Court explained the dichotomy between the grant of legislative franchises by Congress and the issuance of regulatory licenses by the National Telecommunications Commission:

> The complexities of our dual franchise/license regime for broadcast media should be understood within the context of separation of powers. The right of a particular entity to broadcast over the airwaves is established by law — *i.e.*, the legislative franchise — and determined by Congress, the branch of government tasked with the creation of rights and obligations. As with all other laws passed by Congress, the function of the executive branch of government, to which the NTC belongs, is the implementation of the law. In broad theory, the legal obligation of the NTC once Congress has established a legislative franchise for a broadcast media station is to facilitate the operation by the franchisee of its broadcast stations. However, since the public administration of the airwaves is a requisite for the operation of a franchise and is moreover a highly technical function, Congress has delegated to the NTC the task of administration over the broadcast spectrum, including the determination of available bandwidths and the allocation of such available bandwidths among the various legislative franchisees. The licensing power of the NTC thus arises from the necessary delegation by Congress of legislative power geared towards the orderly exercise by franchisees of the rights granted them by Congress.
>
> Congress may very well in its wisdom impose additional obligations on the various franchisees and accordingly delegate to the NTC the power to ensure that the broadcast stations comply with their obligations under the law. Because broadcast medial enjoys a lesser degree of free expression protection as compared to their counterparts in print, these legislative restrictions are generally permissible under the Constitution. Yet no enactment of Congress may contravene the Constitution and its Bill of Rights; hence, whatever restrictions are imposed by Congress on broadcast media franchisees remain susceptible to judicial review and analysis under the jurisprudential framework for scrutiny of free expression cases involving the broadcast media.

---

[138] 602 Phil. 625 (2009) [Per *J.* Tinga, Second Division].

The restrictions enacted by Congress on broadcast media franchisees have to pass the mettle of constitutionality. On the other hand, the restrictions imposed by an administrative agency such as the NTC on broadcast media franchisees will have to pass not only the test of constitutionality, but also the test of authority and legitimacy, *i.e.*, whether such restrictions have been imposed in the exercise of duly delegated legislative powers from Congress. If the restriction or sanction imposed by the administrative agency cannot trace its origin from legislative delegation, whether it is by virtue of a specific grant or from valid delegation of rule-making power to the administrative agency, then the action of such administrative agency cannot be sustained. The life and authority of an administrative agency emanates solely from an Act of Congress, and its faculties confined within the parameters set by the legislative branch of government.[139]

Moreover, respondent utterly disregarded the official communication from the House of Representatives,[140] which called for it to issue petitioner a provisional authority pending the franchise renewal deliberations; as well as Senate Resolution No. 344, adopted on March 4, 2020, which also called for the same provisional authority.[141] This baseless act of defiance should have no place in our system of government.

By issuing a Cease and Desist Order, respondent, a regulatory agency, effectively removed an entire broadcast network from the airwaves notwithstanding the bills for franchise renewal pending in Congress. Since its Order already operates as a franchise denial, respondent has already preempted any action by Congress — even without having the delegated authority to do so:

---

[139] *Id.* at 656-657.

[140] The February 26, 2020 Letter was signed by Franz E. Alvarez, Chairperson of the Committee on Legislative Franchises, and concurred in by House Speaker Alan Peter Cayetano. Attached as Annex "B" of the Petition.

[141] S. Res. 344, 18th Cong., 1st Session (2020), available at <http://senate.gov.ph/lisdata/3245929312!.pdf> (last accessed on August 24, 2020).

The licensing authority of the NTC is not on equal footing with the franchising authority of the State through Congress. The issuance of licenses by the NTC implements the legislative franchises established by Congress, in the same manner that the executive branch implements the laws of Congress rather than creates its own laws. And similar to the inability of the executive branch to prevent the implementation of laws by Congress, the NTC cannot, without clear and proper delegation by Congress, prevent the exercise of a legislative franchise by withholding or canceling the licenses of the franchisee.[142]

As mentioned, petitioner is one of the largest broadcast networks in the country, delivering news and information to a majority of the population. Even if the Cease and Desist Order were to be withdrawn, it is unclear whether petitioner would be able to operate immediately. It would need days for the network to get back on the air. Every day that it is off the air, information is being denied to the people.

All this happened while this country is in the midst of a public health crisis. Mass media remains one of the public's main access points of information, and its role cannot be overemphasized:

An informed citizenry with access to the diverse currents in political, moral and artistic thought and data relative to them, and the free exchange of ideas and discussion of issues thereon, is vital to the democratic government envisioned under our Constitution. The cornerstone of this republican system of government is delegation of power by the people to the State. In this system, governmental agencies and institutions operate within the limits of the authority conferred by the people. Denied access to information on the inner workings of government, the citizenry can become prey to the whims and caprices of those to whom the power had been delegated. The postulate of public office as a public trust, institutionalized in the Constitution (in Art. XI, Sec. 1) to protect the people from abuse of governmental power, would certainly be mere empty words if access to such information of public concern is denied, except under limitations

---

[142] *Divinagracia v. National Telecommunications Commission*, 602 Phil. 625, 668 (2009) [Per *J.* Tinga, Second Division].

prescribed by implementing legislation adopted pursuant to the Constitution.

Petitioners are practitioners in media. As such, they have both the right to gather and the obligation to check the accuracy of information they disseminate. For them, the freedom of the press and of speech is not only critical, but vital to the exercise of their professions. The right of access to information ensures that these freedoms are not rendered nugatory by the government's monopolizing pertinent information. For an essential element of these freedoms is to keep open a continuing dialogue or process of communication between the government and the people. It is in the interest of the State that the channels for free political discussion be maintained to the end that the government may perceive and be responsive to the people's will. Yet, this open dialogue can be effective only to the extent that the citizenry is informed and thus able to formulate its will intelligently. Only when the participants in the discussion are aware of the issues and have access to information relating thereto can such bear fruit.[143]

A FINAL NOTE

I am not under the illusion that petitioner only produces quality programs aimed to educate and inform the public. Nor were all its presentations near the kind of quality art deserving of attention from its audience. Some of the network's offerings (like some of its noon time shows) had no value other than mindless entertainment that wasted the opportunity to uplift our people in exchange for ratings and advertisement by addressing the basest instinct of human beings.

Undoubtedly, independent of any judgment on the content of its programs, the quality of information — including the arts relating to mass entertainment — will be gravely affected by petitioner's fate. From the facts of this case, one cannot but help note the extraordinary challenges it faced. That special attention, which resulted in the protracted process to decide

---

[143] *Valmonte v. Belmonte*, 252 Phil. 264, 270-271 (1989) [Per *J*. Cortes, *En Banc*].

on the renewal of a franchise that petitioner had held for decades, should have certainly invited more exacting inquiry from this Court.

In this age, there is a necessity for journalism — with all the ethics that goes with the profession — to prevail over the extraordinary access that is out there on social media, blogs, and other digital sources that can certainly be called misinformation and propaganda. Petitioner may have made the case for the classic chilling effect on expression: that an experienced network with great impact on many of our far-flung rural areas can be silenced.

Unfortunately, since the intervening denial by the House Committee on Legislative Franchises was not made an issue in this case, I cannot help but join the majority in dismissing the only issues raised in this case for being moot and academic.

The hindsight that history provides may be a balm for future generations, but it is no consolation for the present one. But it is for what history may teach a future generation that can inspire more and continue to speak, to inform, and to shape public opinion so that it is more in accordance with the truth. The sovereign Filipino people — not only the *kapamilya* — deserves no less.

ACCORDINGLY, I join the *ponencia* only in its result. I vote to **DISMISS** the Petition.

THIRD DIVISION

[G.R. No. 206159. August 26, 2020]

ALLIANCE OF NON-LIFE INSURANCE WORKERS OF THE PHILIPPINES, represented by JUBERT MAUN as President, BUKLURAN NG MANGGAGAWA NA UMAASA SA INDUSTRIYA NG SEGURO (BMIS), INC., represented by SALVADOR NAVIDAD as President, MOVEMENT FOR THE UPLIFTMENT OF NON-LIFE INSURANCE, INC. (MUNLI), represented by JESUS S. SEVILLA as Chairman of the Board, *petitioners*, *vs.* **HON. LEANDRO R. MENDOZA, as secretary, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS, HON. REYNALDO I. BERROYA as former Chief, LAND TRANSPORTATION OFFICE, HON. ALBERTO SUANSING as Chief, LAND TRANSPORTATION OFFICE, and STRADCOM CORPORATION,** *respondents*.

SYLLABUS

1. **POLITICAL LAW; CONSTITUTIONAL LAW; JUDICIAL DEPARTMENT; JUDICIAL REVIEW; COURTS HAVE THE JURISDICTION TO RESOLVE ACTUAL CASES OR CONTROVERSIES INVOLVING ADMINISTRATIVE ACTIONS DONE IN THE EXERCISE OF THEIR QUASI-JUDICIAL AND QUASI-LEGISLATIVE FUNCTIONS; DISTINCTION BETWEEN QUASI-JUDICIAL AND QUASI-LEGISLATIVE ACTS AND THE REQUIREMENTS OF JUDICIAL REVIEW FOR EACH ONE, DISCUSSED.—** It is then settled that courts have the jurisdiction to resolve actual cases or controversies involving administrative actions done in the exercise of their quasi-judicial and quasi-legislative functions. Administrative actions reviewable by this Court, may either be quasi-legislative or quasi-judicial. Quasi-legislative or rule-making power is the power of an administrative agency to make

rules and regulations that have the force and effect of law so long as they are issued "within the confines of the granting statute." The enabling law must be complete, with sufficient standards to guide the administrative agency in exercising its rule-making power. As an exception to the rule on non-delegation of legislative power, administrative rules and regulations must be "germane to the objects and purposes of the law, and be not in contradiction to, but in conformity with, the standards prescribed by law." On the other hand, quasi-judicial or administrative adjudicatory power is "the power to hear and determine questions of fact to which the legislative policy is to apply and to decide in accordance with the standards laid down by the law itself in enforcing and administering the same law." The constitutional permissibility of the grant of quasi-judicial powers to administrative agencies has been likewise recognized by this Court. x x x. Determining whether the act under review is quasi-legislative or quasi-judicial is necessary in determining *when* judicial remedies may properly be availed of. Rules issued in the exercise of an administrative agency's quasi-legislative power may be taken cognizance of by courts *on the first instance* as part of their judicial power x x x.

2. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; *CERTIORARI* AND PROHIBITION; THE WRIT OF *CERTIORARI* OR PROHIBITION MAY BE ISSUED TO CORRECT ERRORS OF JURISDICTION COMMITTED NOT ONLY BY A TRIBUNAL, CORPORATION, BOARD OR OFFICER EXERCISING JUDICIAL, QUASI-JUDICIAL OR MINISTERIAL FUNCTIONS, BUT ALSO TO SET RIGHT, UNDO, AND RESTRAIN ANY ACT OF GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION BY ANY BRANCH OR INSTRUMENTALITY OF THE GOVERNMENT, EVEN IF THE LATTER DOES NOT EXERCISE JUDICIAL, QUASI-JUDICIAL OR MINISTERIAL FUNCTIONS.—**The remedies of *certiorari* and prohibition are necessarily broader in scope and reach, and the writ of *certiorari* or prohibition may be issued to correct errors of jurisdiction committed not only by a tribunal, corporation, board or officer exercising judicial, quasi-judicial or ministerial functions, but **also to set right, undo[,] and restrain any act of grave abuse of discretion**

amounting to lack or excess of jurisdiction by any branch or instrumentality of the Government, ***even if the latter does not exercise judicial, quasi-judicial or ministerial functions.***

3. **POLITICAL LAW; ADMINISTRATIVE LAW; DOCTRINE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES; IN QUESTIONING THE VALIDITY OR CONSTITUTIONALITY OF A RULE OR REGULATION ISSUED BY AN ADMINISTRATIVE AGENCY, A PARTY NEED NOT EXHAUST ADMINISTRATIVE REMEDIES BEFORE GOING TO COURT, AS THIS PRINCIPLE APPLIES ONLY WHEN THE ACT OF THE ADMINISTRATIVE AGENCY CONCERNED WAS PERFORMED PURSUANT TO ITS QUASI-JUDICIAL FUNCTION, AND NOT WHEN THE ASSAILED ACT PERTAINED TO ITS RULE-MAKING OR QUASI-LEGISLATIVE POWER; DOCTRINE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES, NOT APPLICABLE TO QUESTION THE VALIDITY OF DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (DOTC) DEPARTMENT ORDER NO. 2007-28, AS THE SAME WAS ENACTED PURSUANT TO THE DOTC'S EXERCISE OF ITS DELEGATED LEGISLATIVE POWER.—** It is settled that the doctrine of exhaustion of administrative remedies finds no application when a questioned act was done in the exercise of quasi-legislative powers: In questioning the validity or constitutionality of a rule or regulation issued by an administrative agency, a party need not exhaust administrative remedies before going to court. This principle applies only where the act of the administrative agency concerned was performed pursuant to its quasi-judicial function, and not when the assailed act pertained to its rule-making or quasi-legislative power. In *Association of Philippine Coconut Desiccators v. Philippine Coconut Authority*, it was held: x x x. However, only judicial review of decisions of administrative agencies made in the exercise of their quasi-judicial function is subject to the exhaustion doctrine. x x x. DO No. 2007-28 was issued pursuant to DOTC's exercise of its delegated legislative power under the foregoing provision. Its issuance was done pursuant to its quasi-legislative powers. Thus, the doctrine of exhaustion of administrative remedies does not apply in this case.

4. **ID.; CONSTITUTIONAL LAW; THE JUDICIAL DEPARTMENT; JUDICIAL REVIEW; REQUISITES.—** Even if the correct remedy has been availed, the Petition must be dismissed, there being no justiciable controversy involved since petitioners do not have legal standing to bring the case on behalf of their members. A controversy is said to be justiciable if: first, there is an actual case or controversy involving legal rights that are capable of judicial determination; second, the parties raising the issue must have standing or locus standi to raise the constitutional issue; third, the constitutionality must be raised at the earliest opportunity; and fourth, resolving the constitutionality must be essential to the disposition of the case. An actual case or controversy is "one which involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution." A case is justiciable if the issues presented are "definite and concrete, touching on the legal relations of parties having adverse legal interests." The conflict must be ripe for judicial determination, not conjectural or anticipatory; otherwise, this Court's decision will amount to an advisory opinion concerning legislative or executive action x x x.

5. **ID.; ID.; ID.; ID.; LEGAL STANDING; IN ORDER FOR AN ASSOCIATION TO HAVE LEGAL STANDING TO BRING A REPRESENTATIVE SUIT, IT MUST ESTABLISH THE IDENTITY OF ITS MEMBERS, AND PRESENT PROOF OF ITS AUTHORITY TO BRING THE SUIT FOR AND ON BEHALF OF ITS MEMBERS; LEGAL STANDING OF THE PETITIONERS AS AN ASSOCIATION SUING ON BEHALF OF THEIR MEMBERS, NOT ESTABLISHED.—** We rule that petitioners failed to establish their legal standing. For an association to have legal standing, it must establish the identity of its members, and present proof of its authority to bring the suit for and on behalf of its members. In the present case however, petitioners failed to establish their legal standing as an association suing on behalf of their members. While they presented their respective Certificates of Incorporation, there was no showing that the associations were authorized to represent its members in the protection of their insurance business. Petitioners generally averred that their membership was composed of non-life insurance agents and underwriters. However, they failed to present proof that their members were actually engaged

in providing CTPL Insurance, and hence will be directly injured with the enactment of DO No. 2007-28. Aside from this, petitioners also failed to submit proof that they were authorized to file the case on behalf of their members. Petitioners BMIS and MUNLI attached their respective Secretary's Certificates authorizing their respective chairpersons to represent the association in petitions for certiorari against the DOTC and LTO. A reading of the certificates, however, does not show that the association has been authorized by its members to file the petition on their behalf. Instead, the certificates show only the authority of their respective chairpersons to file the case for and on behalf of the association.

6. **ID.; ID.; ID.; ID.; ID.; TAXPAYERS' SUIT; REQUIREMENTS; NOT ESTABLISHED.—** Petitioners also assert their members' standing as citizens and taxpayers. In *David v. Arroyo*, this Court summarized the requirements where taxpayers and concerned citizens have the legal standing to sue: (1) the cases involve constitutional issues; (2) for taxpayers, there must be a claim of illegal disbursement of public funds or that the tax measure is unconstitutional; (3) for voters, there must be a showing of obvious interest in the validity of the election law in question; (4) for concerned citizens, there must be a showing that the issues raised are of transcendental importance which must be settled early; and (5) for legislators, there must be a claim that the social action complained of infringes upon their prerogatives as legislators x x x. The present case is not a taxpayer's suit. There has been no illegal disbursement of public funds, as guidelines for the implementation of DO No. 2007-28 has not yet been implemented.

7. **ID.; ID.; ID.; ID.; MOOT AND ACADEMIC; A CASE BECOMES MOOT AND ACADEMIC WHEN IT CEASES TO PRESENT A JUSTICIABLE CONTROVERSY BECAUSE OF SUPERVENING EVENTS SO THAT A DECLARATION THEREON WOULD BE OF NO PRACTICAL USE OR VALUE; THE COURT WILL NOT RULE ON MOOT AND ACADEMIC CASES BECAUSE JUDICIAL POWER IS GROUNDED ON ACTUAL CONTROVERSIES; EXCEPTIONS; THE SUPERVENING ENACTMENT OF DOTR DEPARTMENT ORDER NO.**

020-18 HAS MOOTED THE PRESENT PETITION.— One of the tenets of judicial review is that this Court will not rule on moot and academic cases because judicial power is grounded on actual controversies. A case becomes moot and academic when it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value." In *Land Bank of the Philippines v. Fastech Synergy Philippines. Inc.,* this Court reiterated the exceptions to this rule: In *Timbol v. Commission on Elections:* A case is moot and academic if it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value." When a case is moot and academic, this court generally declines jurisdiction over it. There are recognized exceptions to this rule. This court has taken cognizance of moot and academic cases when: (1) there was a grave violation of the Constitution; (2) the case involved a situation of exceptional character and was of paramount public interest; (3) the issues raised required the formulation of controlling principles to guide the Bench, the Bar and the public; and (4) the case was capable of repetition yet evading review. x x x. Respondents allege that there is no actual case or controversy ripe for judicial adjudication, because DO No. 2007-28 is not self-executing, and because the guidelines for its implementation have yet to be issued by the DOTC. They argue that the Petition is premature. We rule otherwise. The supervening enactment of DOTr Department Order No. 020-18, issued last August 24, 2018, has mooted the instant Petition.

8. **REMEDIAL LAW; CIVIL PROCEDURE; ACTIONS; FORUM SHOPPING; EXISTS WHEN, AS A RESULT OF AN ADVERSE OPINION IN ONE FORUM, A PARTY SEEKS A FAVORABLE OPINION IN ANOTHER, OR WHEN HE INSTITUTES TWO OR MORE ACTIONS OR PROCEEDINGS GROUNDED ON THE SAME CAUSE, ON THE GAMBLE THAT ONE OR THE OTHER COURT WOULD MAKE A FAVORABLE DISPOSITION; DELIBERATE FORUM-SHOPPING, COMMITTED BY THE PETITIONERS FOR SUCCESSIVELY FILING MULTIPLE CASES IN DIFFERENT TRIBUNALS FOR THE SAME CAUSE OF ACTION TO SEEK A JUDGMENT FAVORABLE TO THEM.—** Aside from the Petition's failure

to comply with the requirements of justiciability, the Court of Appeals correctly dismissed the case for petitioners' deliberate forum-shopping. x xx. A review of the timeline of the filing of these petitions shows the nefarious scheme of petitioners in filing multiple cases in different tribunals. This shows their intention to seek a judgment favorable to them. x x x. Petitioners' act of successively filing at least four (4) Petitions in various *fora* is the very act of forum-shopping: Forum shopping consists of filing multiple suits involving the same parties for the same cause of action, either simultaneously or successively for the purpose of obtaining a favorable judgment. It exists when, as a result of an adverse opinion in one forum, a party seeks a favorable opinion in another, or when he institutes two or more actions or proceedings grounded on the same cause, on the gamble that one or the other court would make a favorable disposition. There certainly is all the opportunity to accomplish the wrong intended by forum-shopping through the filing of two petitions for review with a collegiate court such as the Court of Appeals, as each petition would be docketed separately and assigned to a division of that court, thus allowing two different divisions to act independently as each considers and treats the petition. Thus, no petition for review on certiorari may be filed in the Court of Appeals if there is already a similar petition already filed or pending with that same court.

9. ID.; ID.; ID.; ID.; THE ACTS OF A PARTY OR HIS COUNSEL, CLEARLY CONSTITUTING WILLFUL AND DELIBERATE FORUM SHOPPING, SHALL BE GROUND FOR THE SUMMARY DISMISSAL OF THE CASE WITH PREJUDICE, AND SHALL CONSTITUTE DIRECT CONTEMPT AND A CAUSE FOR ADMINISTRATIVE SANCTIONS AGAINST THE LAWYER; OUTRIGHT DISMISSAL OF PETITIONERS' PETITION FOR DELIBERATE AND WILLFUL FORUM SHOPPING, AFFIRMED.— [T]he act of deliberate and willful forum shopping warrants the summary dismissal with prejudice of the instant Petition and all other cases pending in lower courts, if any. By abusing court processes, forum shopping constitutes direct contempt of this Court: Thus, the CA did not commit an error in outrightly dismissing petitioner's petition. It must be remembered that the acts of a party or his counsel, clearly

constituting willful and deliberate forum shopping shall be ground for the summary dismissal of the case with prejudice, and shall constitute direct contempt, as well as be a cause for administrative sanctions against the lawyer.

10. **ID.; ID.; PLEADINGS AND PRACTICES; THE ERROR WITHIN THE TITLE'S CAPTION IN THE RESOLUTION DISMISSING PETITIONERS' MOTION FOR RECONSIDERATION IS NOT EQUIVALENT TO A MISAPPREHENSION OF FACTS; THE INCLUSION OF THE NAMES OF PARTIES IN THE CAPTION OF A PLEADING IS ONLY A FORMAL REQUIREMENT, FOR WHAT IS CONTROLLING ARE THE ALLEGATIONS CONTAINED WITHIN.—** After trifling with court processes to secure a favourable judgment, petitioners have the audacity to invoke a non-fatal error committed by the Court of Appeals. The names of respondents were incorrectly placed in the caption of the Resolution denying petitioners' Motion for Reconsideration. From this apparent error, petitioners conclude that the judgment is based on a misapprehension of facts, which this Court should correct. In *Oasis Park Hotel v. Navaluna*, the inclusion of the names of parties in the caption of a pleading is only a formal requirement. What is controlling are the allegations contained within: x x x. As the Court held in Genato v. Viola: "It is not the caption of the pleading but the allegations therein that are controlling. The inclusion of the names of all the parties in the title of a complaint is a formal requirement under Section [1], Rule 7 of the Rules of Court. However, the rules of pleadings require courts to pierce the form and go into the substance. The non-inclusion of one or some of the names of all the complainants in the title of a complaint, is not fatal to the case, provided there is a statement in the body of the complaint indicating that such complainant/s was/were made party to such action.

APPEARANCES OF COUNSEL

Raymundo L. Apuhin and *Margiano J. Cagatan* for petitioners.
Francisco Paredes & Morales for private respondent Stradcom Corp.
Office of the Solicitor General for public respondents.

DECISION

LEONEN, *J.*:

An implied repeal will only be sustained upon a showing of a law-making body's manifest intention that the later regulation supersedes an earlier one. Necessarily, the enactment of the superseding regulation which repeals an earlier regulation subject of a court action moots the case.

This resolves the Petition for Review on *Certiorari*[1] filed by Alliance of Non-Life Insurance Workers of the Philippines (Alliance), Bukluran ng Manggagawa na Umaasa sa Industriya ng Seguro, Inc. (BMIS), and Movement for the Upliftment of Non-Life Insurance, Inc. (MUNLI) assailing the Court of Appeals' dismissal[2] of their Petition for *Certiorari*, and questioning the validity of Department of Transportation and Communications (DOTC) Department Order No. 2007-28 providing for the integration of the issuance and payment of Compulsory Third Party Liability Insurance (CTPL Insurance) with the Land Transportation Office (LTO).

On July 5, 2007, DOTC issued Department Order No. 2007-28 (DO No. 2007-28) entitled "Rules and Regulations on the Integration of the Issuance and Payment of Compulsory Third Party Liability Insurance with the Land Transportation Office."

The department order sought to eliminate the proliferation of fake and fraudulent CTPL Insurance involved in the registration of motor vehicles. DO No. 2007-28 was published on July 6, 2007 and a copy of it was then filed before the University of the Philippines Law Center.[3]

---

[1] *Rollo*, pp. 31-91.

[2] *Id.* at 11-23. The May 24, 2012 Decision was penned by Associate Justice Socorro B. Inting and concurred in by Associate Justices Fernanda Lampas Peralta and Mario V. Lopez of the Eleventh Division of the Court of Appeals, Manila.

[3] *Id.* at 394.

Under DO No. 2007-28, the CTPL Insurance is automatically issued upon the registration of a motor vehicle or its renewal in the LTO. The issuance and payment of the CTPL Insurance is integrated with the Land Transportation Office Information Technology (LTO IT) System created by Stradcom Corporation (Stradcom):

1.0. SCOPE

1.1. This Department Order promulgates the rules and regulations covering the integration of the issuance and payment of CTPL insurance with the LTO IT Project's systems and database. This program shall otherwise be known as the "INTEGRATED CTPL INSURANCE PROGRAM."

1.2. These rules and regulations describe the objectives, criteria, structure, guidelines and procedures primarily designed to ensure the efficient and effective implementation of the INTEGRATED CTPL INSURANCE PROGRAM.

. . . .

4.0. APPLIED CRITERIA IN THE ESTABLISHMENT OF THE INTEGRATED CTPL INSURANCE PROGRAM

To assure the public that the foregoing objectives for the establishment of the INTEGRATED CTPL INSURANCE PROGRAM are fully satisfied, LTO IT System through STRADCOM is hereby directed to apply the following criteria:

4.1. Online and real-time interconnection with the LTO IT Project's Motor Vehicle Registration System (MVRS) and Revenue Collection System (RCS), and their corresponding database;

4.2. There shall be no human intervention in computing the CTPL Insurance. Likewise, the system must not have an edit [sic] capability to edit the computation of CTPL insurance premiums.

4.3. The system shall be capable of computing taxes due on CTPL insurance policies such as Value Added Tax (VAT),

Documentary Stamp Tax (DST), and business taxes imposed by local government units.

4.4. Period of validity of the CTPL shall be displayed in LTO official receipt (OR) to ensure that the registered vehicles are covered by authentic insurance policies.

4.5. The system shall be capable of generating reports related to the CTPL insurance transactions.

4.6. The system shall be capable of generating fixed length text file that will be uploaded to the Insurance Provider. The text file shall contain insurance data to be used in processing of claims.

5.0. IMPLEMENTATION OF THE INTEGRATED CTPL INSURANCE PROGRAM

5.1. The DOTC/LTO shall be the lead agency in the implementation of the Integrated CTPL Insurance Program nationwide. It shall formulate and prescribe policy guidelines for the transparent, efficient and effective implementation of the Integrated CTPL Insurance Program.

5.2. The Integrated CTPL Insurance Program shall be implemented wherein the issuance and payment of CTPL Insurance is integrated with the LTO IT Project's Motor Vehicle Registration System (MVRS) and Revenue Collection System (RCS).

5.3. STRADCOM, being the proponent for the LTO IT Project, shall be tasked with developing, implementing, operating and maintaining the online and real-time interconnection of the Insurance Provider with the LTO IT Project's MVRS, RCS and their corresponding database (the "Interconnectivity"). STRADCOM shall also provide necessary technical support in the implementation of the INTEGRATED CTPL INSURANCE PROGRAM.

5.3.1. In consideration for the Interconnectivity, STRADCOM shall be entitled to collect and be paid an Interconnectivity Fee for each CTPL insurance issued for the entire duration or effectivity of its agreement with the DOTC/LTO and the Insurance Provider. The Interconnectivity Fee shall be mutually agreed upon by

the Insurance Provider and STRADCOM. The sharing scheme for Interconnectivity Transactions shall be mutually agreed upon by DOTC/LTO and STRADCOM.

5.3.2. DOTC/LTO, the Insurance provider, and STRADCOM shall jointly agree on the manner of remittance of all collections relative to the paid CTPL insurance policies.

5.4. In order to satisfy the objectives set forth in Section 3.0; and, applying the criteria provided for in Section 4.0 hereof, the following guidelines and procedures shall be observed:

5.4.1. Issuance of CTPL Insurance Policy

1. CTPL insurance policies are automatically issued at the LTO District Officers using the LTO IT Project's MVRS during registration or renewal of registration. This eliminates work step for the transacting public which no longer have to purchase CTPL insurance policy separately.

2. A motor vehicle registrant will no longer be required to present a policy since purchase of CTPL insurance is simultaneously processed during motor vehicle registration.

3. The effectivity and validity of CTPL insurance must conform to the existing rules and regulations of the LTO and the Insurance Code.

5.4.2. Premium Computation

To safeguard against risk of buying wrong policy or overpaying premiums, computation of the cost of CTPL insurance premium shall be automatically computed by the LTO IT Project's MVRS based on the following:

1. Motor vehicle description such as, but not limited to, gross vehicle weight, classification, and type; and,

2. Insurance Commission approved motor rates, terms and conditions.

5.4.3. Payment of Insurance Premium

1. The LTO cashier collects the insurance premium together with the registration fees using the LTO IT Project's RCS during registration or renewal of registration.
2. Proof of insurance coverage shall be indicated in the LTO Official Receipt (OR) of Registration. This ensures that registered vehicles are covered by valid and authentic insurance policies and thus assure protection of the public from fake or duplicate CTPL insurance policies.
3. LTO OR shall also indicate the period of validity of the insurance.

5.4.4. Tax Computation and Collection

1. The computation of applicable national and local government taxes on CTPL insurance policies must be consistent with the existing laws, rules and regulations.
2. Taxes due on CTPL insurance policies corresponding to the Value Added Tax (VAT) and Documentary Stamp Tax (DST), as well as business taxes imposable by local government units under the Local Government Code on insurance premiums, shall be automatically computed by the LTO IT Project's MVRS.
3. In addition to the insurance premium and the registration fees, the LTO cashier collects taxes due on CTPL insurance policies/premiums using the LTO IT Project's RCS.

5.4.5. Premium and Taxes Remittance

1. Taxes due on CTPL insurance policies corresponding to the VAT and DST shall be deposited directly to the depository account of the Bureau of Internal Revenue (BIR) which shall be considered upon fact of deposit as paid. This ensures proper collection and remittance of correct taxes to the national government.
2. Local Government taxes imposed by local

government units under the Local Government Code on insurance premiums shall be deposited directly to the depository account of the Insurance Provider, who will be responsible for its remittance to the appropriate authority.

5.4.6. Claims Process and Assistance

1. To ensure ready access to claims service, the Insurance Provider shall provide and make available 24/7 a facility to receive notices of claim either by call or through Short Messaging Service (SMS) and to assign an accredited adjuster closest to the location of the claimant. Claims may also be filed and settled at all branches of the Insurance Provider and its nationwide offices at standard documentation and claims procedure.

2. The Insurance Provider shall be responsible in disseminating to the public all of the proper steps of procedures in applying for CTPL insurance claims.[4]

On July 7, 2008, Alliance, BMIS, and MUNLI filed a Petition before the Court of Appeals docketed as CA-G.R. SP No. 104211, which is the precedent of the present case.

On September 1, 2008, the Government Insurance Service System (GSIS) intervened and filed its Comment. It alleged that aside from the present petition, at least five (5) different cases have been filed in other courts:[5]

Case No.	Petitioners/ Complainants	Respondents	Status
Petition for Certiorari with	Alliance, BMIS, Florita	DOTC Secretary Leandro R.	Petition was withdrawn[7]

[4] *Id.* at 169-175.

[5] *Id.* at 15-16.

[6] *Id.* at 424-446.

[7] *Id.* at 449-450.

prayer for issuance of TRO docketed as CA G.R. SP No. 99791[6]	L. Suba, Miraflor C. Garcia	Mendoza (Secretary Mendoza), LTO Chief Reynaldo Berroya (Chief Berroya), GSIS President Winston Garcia (President Garcia), Stradcom	which was approved by the Court of Appeals on August 31, 2007.[8]
Petition for Certiorari and Prohibition with prayer for TRO and WPI docketed SCA No. 07-673 in RTC Makati City, Branch 45[9]	Philippine Insurers and Reinsurers Association Incorporated (PIRA)	DOTC, LTO, Insurance Commission, GSIS as intervenor	Petition was dismissed in the Order dated June 24, 2008 for being improperly filed under Rule 65 of the Rules of Court.[10]
Petition for Certiorari and Prohibition with prayer for TRO and WPI docketed as CA G.R. SP No. 99992[11]	MUNLI	DOTC Secretary Mendoza and LTO Chief Berroya	Dismissed in the Resolution dated August 13, 2007 for failure to exhaust administrative remedies[12]
Civil Case No. MC-08-3660 before RTC Mandaluyong City[13]	Belinda Martizano	DOTC, LTO, GSIS, Stradcom, Insurance Commission	Dismissed for *litis pendentia*, pending review before the Court of Appeals docketed as CA G.R. SP No. 105674[14]
Petition for Declaration of Nullity filed before RTC Pasay City Branch	Marissa I. Rafael	DOTC Secretary Mendoza, LTO Chief	The case was dismissed for failure to exhaust

[8] *Id.* at 451-453.

[9] See *rollo,* pp. 454-462.

[10] *Id.* at 454-462.

[11] *Id.* at 463-498.

[12] *Id.* at 499-500.

[13] *Id.* at 765.

[14] *Id.*

117 and docketed as SCA R-PSY-08-06714-CV[15]		Alberto Suansing (Chief Suansing), GSIS President Garcia, Stradcom	administrative remedies.[16]

On September 22, 2008, the Office of Solicitor General filed its Comment.[17]

On October 24, 2008, the Court of Appeals granted a writ of preliminary injunction against the implementation of DO No. 2007-28 in CA G.R. SP No. 104211.[18]

On November 6, 2008, DOTC, through Secretary Mendoza, filed a Petition for *Certiorari* before this Court, assailing the issuance of the writ of preliminary injunction on the implementation of DO No. 2007-28.[19]

On May 24, 2012, the Court of Appeals eventually dismissed the Petition for *Certiorari* after finding the existence of forum shopping, prematurity, and lack of cause of action.[20]

The Court of Appeals noted other pending cases filed before the Regional Trial Court of Makati. It held that all the elements of forum shopping existed. Alliance and MUNLI are parties in

---

[15] *Id.* at 766.

[16] *Id.*

[17] *Id.* at 17.

[18] *Id.* at 18.

[19] *Id.*

[20] *Id.* at 11-24. The May 24, 2012 Decision was penned by Associate Justice Socorro B. Inting and concurred in by Associate Justices Fernanda Lampas Peralta and Mario V. Lopez (now a Member of this Court) of the Eleventh Division of the Court of Appeals, Manila.

the cases docketed as CA G.R. SP No. 99791 and CA G.R. SP No. 99992 pending before the Court of Appeals.[21]

Further, Alliance also shares a "common interest" with PIRA in a case that it filed before the Makati City Regional Trial Court, and docketed as SCA 07-673.[22] In these cases, Alliance and MUNLI "sought for the nullification of DO No. 2007-28" using the same grounds they used in the Petition before the Court of Appeals.[23]

Both parties asserted the same rights and prayed for the reliefs in all these cases. Thus, judgment in any of the foregoing cases will amount to *res judicata*.

The Court of Appeals also held that petitioners Alliance, BMIS, and MUNLI availed of the wrong remedy in filing a Petition for *Certiorari*, because DO No. 2007-28 was issued pursuant to the DOTC's quasi-legislative powers. The proper remedy is an appeal before the Office of the President prior to seeking relief from the courts.[24]

On March 1, 2013, the Court of Appeals also denied their Motion for Reconsideration.[25]

On April 25, 2013, petitioners filed the present Petition.[26]

In a June 26, 2013 Resolution,[27] this Court: (1) noted the entry of appearance of Atty. Raymundo L. Apuhin as counsel

---

[21] *Id.* at 19.

[22] *Id.*

[23] *Id.* at 19-20.

[24] *Id.* at 20-22.

[25] *Id.* at 25-26. The March 1, 2013 Resolution was penned by Associate Justice Socorro B. Inting and concurred in by Associate Justices Fernanda Lampas Peralta and Mario V. Lopez of the Eleventh Division of the Court of Appeals.

[26] *Id.* at 31-91.

[27] *Id.* at 258.

for petitioners; (2) granted an extension of 30 days to file the instant Petition; and (3) required petitioners to submit their compliance.

On August 14, 2013, respondents' counsel filed a Notice of Change of Address.[28] On the same day, respondent Stradcom filed its Comment on the Petition.[29]

On September 10, 2013, petitioners submitted their Compliance with the June 26, 2013 Resolution, which this Court noted on September 25, 2013.[30]

On October 18, 2013, the Office of the Solicitor General filed its Comment,[31] which this Court noted on January 13, 2014.[32]

On May 2, 2014, petitioners filed their Consolidated Reply,[33] which this Court noted on November 12, 2014.[34]

On June 22, 2015, this Court required the parties to file their respective memoranda.[35]

On September 8, 2015, respondent Stradcom submitted its memorandum.[36]

On October 6, 2015, petitioners filed their memorandum.[37]

On October 13, 2015, the Office of Solicitor General submitted respondents' memorandum.[38]

---

[28] *Id.* at 264-266.

[29] *Id.* at 267-298.

[30] *Id.* at 383-385.

[31] *Id.* at 386-423.

[32] *Id.* at 560.

[33] *Id.* at 571-589.

[34] *Id.* at 591-592.

[35] *Id.* at 596-598.

[36] *Id.* at 616-654.

[37] *Id.* at 660-714.

[38] *Id.* at 715-752.

On November 9, 2015, this Court noted respondent Stradcom's submission of its memorandum.[39]

On March 9, 2016, GSIS filed a manifestation and motion for intervention, attaching its memorandum,[40] which this Court granted on May 30, 2016.[41]

On January 9, 2017, the Petition was transferred from the Second Division to the First Division.[42]

On July 31, 2017, the instant Petition was referred to the Raffle Committee.[43]

On July 3, 2019, the instant Petition was again referred to the Raffle Committee after Associate Justice Henri Jean Paul B. Inting's inhibition.[44]

During the pendency of the present case, the Department of Transportation (DOTr) issued Department Order No. 020-18 on August 24, 2018 entitled, "Revised Guidelines on Mandatory Insurance Policies for Motor Vehicles and Personal Passenger Accident Insurance for Public Utility Vehicles" (Revised Guidelines). It issued the Revised Guidelines to "revamp the existing guidelines"[45] and recognize the sole and exclusive authority of the Insurance Commission in determining qualified insurance providers of Compulsory Motor Vehicle Liability Insurance and Passenger Personal Accident Insurance.[46]

The Revised Guidelines provides:

---

[39] *Id.* at 792.

[40] *Id.* at 761-791.

[41] *Id.* at 794-795.

[42] *Id.* at 798.

[43] *Id.* at 804.

[44] *Id.* at 805.

[45] DOTr Department Order No. 20-18 (2018), Whereas Clauses.

[46] The final perambulatory clause of Department Order No. 020-18 states:

WHEREAS, in order to eradicate the foregoing unlawful practices, to remove the perception that LTO and LTFRB personnel are involved in illegal and

SECTION 1. *Assessment & Evaluation*. — The determination, assessment and evaluation of the qualifications and requirements of insurance companies, joint ventures, or consortiums that are willing and capable to issue the Insurance Policies will henceforth be under the sole and exclusive authority of the Commission.

SECTION 2. *List of Qualified Insurers*. — Subject to existing guidelines, the LTO and LTFRB shall secure from the Commission the list of all qualified insurance companies, joint ventures, or consortiums (the "Qualified Insurers") which are authorized to issue the Insurance Policies in accordance with the insurance requirements set by LTO and LTFRB. The LTO and LTFRB shall secure an updated list of Qualified Insurers regularly and on a quarterly basis.

SECTION 3. *Posting of List & Issuance of Insurers*. — The LTO and LTFRB will post the list of Qualified Insurers in conspicuous places within the premises of their respective offices. The applicants are free to choose and secure the Insurance Policies from any of the Qualified Insurers,· and all insurance premiums shall be strictly paid in the offices or authorized collection sites of the Qualified Insurers. The LTO and LTFRB will not issue any Certificate of Registration (COR) and/or Certificate of Public Convenience (CPC) unless the applicant has sufficiently shown that the Insurance Policies were secured only from the Qualified Insurers.

SECTION 4. *Prohibited Activities by Qualified Insurers*. — All Qualified Insurers are strictly prohibited —

i.) To put up, establish or maintain any office, satellite or otherwise, inside the premises of the LTO and LTFRB;

ii.) To designate, appoint or maintain any officer, agent, representative or personnel tasked with selling insurance

---

corrupt activities, to finally rid the LTO and LTFRB from any form of proprietary interests arising from the issuance of the Insurance Policies, and to further serve the interest of public service, the Department of Transportation (DOTr) deems it best to revamp the existing guidelines and decide that the determination of duly qualified insurers who can provide the Insurance Policies be placed under the sole and exclusive authority of the Insurance Commission (the "Commission").

covers or collecting insurance premiums inside LTO and LTFRB premises; and

iii.) To give, distribute or display, inside the premises of the LTO and LTFRB, any form of giveaways or other propaganda materials, such as, but not limited to, calendars, journals, ballpens, brochures, cards, etc., that tend to advertise their respective insurance businesses.

SECTION 5. *Prohibited Activities by Government Personnel*. — All officers, employees or personnel of the DOTr, LTO and LTFRB are strictly prohibited —

i.) To allow, aid or abet, directly or indirectly, the commission of any of the prohibited activities under Sec. 4;

ii.) To endorse, favor or give any form of recommendation to applicants in behalf of any Qualified Insurer;

iii.) To sell insurance policies or collect premiums in behalf of any Qualified Insurer; and

iv.) To issue or furnish applicants with any list or document containing the names of insurers, other than the list of Qualified Insurers issued by the Commission.

SECTION 6. *Sanctions*. — Any Qualified Insurer who is found to have violated Sec. 4 will be permanently blacklisted from issuing the Insurance Policies, whether directly or indirectly, and will be disqualified from participating in other programs of the DOTr, LTO and LTFRB.

Any officer, employee or personnel of the DOTr, LTO and LTFRB who is found to have violated Sec. 5 will be held liable for Serious Misconduct under the 2017 Rules on Administrative Cases in the Civil Service, without prejudice to other administrative or criminal liability.

SECTION 7. *Implementing Guidelines*. — The LTO and LTFRB will issue guidelines for the effective implementation of this Department Order.

SECTION 8. *Separability Clause*. — If any part or provision of this Department Order is held unconstitutional or invalid, other parts of provisions which are not affected will continue to remain in full force and effect.

SECTION 9. *Repealing Clause*. — All other Department Orders, Circulars, Special Orders, Office Orders, and/or other issuances inconsistent herewith are hereby superseded or modified accordingly.[47]

Petitioners argue that the Court of Appeals committed grave abuse of discretion and that its judgment was based on misapprehension of facts.

The dispositive portion of the assailed Resolution stated that it is dismissing an "appeal," and not the Petition for *Certiorari* filed before it.[48] This is also shown in the erroneous caption of the Resolution dismissing the motion for reconsideration. While the case number in the Resolution was correct, respondents in the caption read as "Hon. Cesar O. Untalan, in his capacity as Presiding Judge of the Regional Trial Court of Makati City (designated as Commercial Court) and Lorna F. Cillan[.]"[49]

Petitioners allege that there is no forum shopping because there are no cases which would operate as *litis pendentia* to the instant petition. Particularly, petitioners withdrew CA G.R. SP No. 99791, while SCA 07-673 and CA G.R. SP No. 99992 were dismissed for failure to exhaust administrative remedies. Petitioners allege that they should not be faulted for re-filing a replica of a petition which they have previously withdrawn and dismissed at their instance.[50]

Further, petitioners allege that the doctrine of exhaustion of administrative remedies does not apply to actions assailing the exercise of quasi-legislative powers. Since the DOTC is the President's alter ego, it is directly acting on its behalf; thus, there was no other plain and speedy remedy for petitioners. In

---

[47] DOTr, Department Order No. 20-18 (2018), Secs. 1-9.

[48] *Rollo*, pp. 61-63.

[49] *Id.* at 25.

[50] *Id.* at 64.

any event, the issues raised in their Petition are purely questions of law and matters of public interest.[51]

The enactment of DO No. 2007-28 is an *ultra vires* act because the DOTC does not have the power to regulate the insurance business under Section 3 of the Administrative Code.[52]

Further, DO No. 2007-28 amends Sections 49-51 of the Insurance Code as to the form of insurance contracts, and Sections 186 and 387, as it allows the DOTC or the LTO to transact the business of insurance as agents without the required certification from the Insurance Commissioner. It removes the motorist's freedom to choose a CTPL Insurance under Section 376-377. Finally, DO No. 2007-28 intrudes on the power of the Insurance Commissioner to regulate the business of insurance.[53]

DO No. 2007-28 is a form of an invalid take-over of private businesses in violation of Article 12, Section 17 of the Constitution.[54] The designation of GSIS to be the sole CTPL provider is an invasion of private businesses done without due process and consultation with the affected parties.[55]

Since DO No. 2007-28 has a great adverse impact on the insurance business, it is also violative of Article 2, Sections 9 and 18 of the Constitution.[56] DOTC and the LTO directly contracted with respondent Stradcom without public bidding in violation of procurement laws.[57]

Respondent Stradcom alleges that the Petition should be dismissed for wilful and deliberate forum shopping. Aside from

---

[51] *Id.* at 66-70.

[52] *Id.* at 79.

[53] *Id.* at 79-83.

[54] *Id.* at 56.

[55] *Id.* at 84.

[56] *Id.* at 57-58.

[57] *Id.* at 85.

this, petitioners should be sanctioned and cited in direct contempt for filing multiple cases before the lower courts.[58]

Certiorari and prohibition are not the proper remedies to assail DO 2007-28.[59] It was also filed in violation of the doctrine of hierarchy of courts.[60]

There is allegedly no actual case or controversy ripe for judicial adjudication because DO No. 2007-28 is not self-executing, and the guidelines for its implementation have yet to be issued by the DOTC.[61]

Respondent Stradcom defends DO No. 2007-28 as constitutional and a valid exercise of police power enacted to remove spurious CTPL insurance.[62] The DOTC was clothed with rule and policy making powers under Sections 2, 3, and 5 of the Administrative Code in enacting DO No. 2007-28.[63]

DO No. 2007-28 does not violate procurement laws. Respondent Stradcom's designation was brought about by the Build-Own-Operate Agreement of DOTC or LTO for the design, construction, and operation of its IT system. The Agreement was signed on March 26, 1998 and had a concession period of 10 years from the in-service date.[64]

Moreover, Section 4.1 of this Agreement provided respondent Stradcom the exclusive right to provide services to DOTC and LTO during this period, which is subject to renewal.[65] This agreement allegedly bears the approval of the President of the

---

[58] *Id.* at 271-277.

[59] *Id.* at 278-281.

[60] *Id.* at 283-284.

[61] *Id.* at 285-287.

[62] *Id.* at 292-294.

[63] *Id.* at 287-292.

[64] *Id.* at 268.

[65] *Id.* at 269.

Philippines under Republic Act No. 6957 and its implementing rules and regulations.[66]

Finally, there is no basis in petitioners' allegation of monopoly, because nowhere in DO No. 2007-28 does it provide that GSIS will solely provide the CTPL insurance. It cites two (2) other models aside from GSIS, including PIRA and Road Accident Managed Services, Inc. (RAMSI), the rules of which have yet to be promulgated.[67]

Respondents, through the Office of the Solicitor General, allege that the Petition is barred by a prior resolution in CA-G.R. 99992, a case filed by petitioner MUNLI. The case was dismissed for failure to exhaust administrative remedies.[68] Since there was no appeal on the dismissal of CA-G.R. 99992, the judgment attained finality and binding on petitioner MUNLI. Respondents also noted that the instant petition is almost a verbatim reproduction of CA-G.R. 99992.[69]

In addition, petitioners Alliance and BMIS are guilty of forum-shopping, as both filed CA-G.R. No. 99791 even after it was withdrawn due to the pendency of SCA No. 07-673 in the Regional Trial Court.[70]

Petitioners availed of the wrong remedy of *certiorari* and prohibition because DO No. 2007-28 was enacted pursuant to the exercise of DOTC's quasi-legislative powers.[71]

Petitioners are not the real-parties-in-interest, since it is the insurance company owners who have the legal standing to file the case. Moreover, the petition is premature, as DOTC and LTO have yet to implement the guidelines of DO No. 2007-

---

[66] *Id.*

[67] *Id.* at 294-295.

[68] *Id.* at 398.

[69] *Id.* at 399.

[70] *Id.* at 400-404.

[71] *Id.* at 405-409.

28.[72] Even assuming that GSIS is the CTPL insurance provider, insurance companies can still operate by providing other types of insurance. Finally, the DOTC has the authority to enact DO No. 2007-28 under Section 5 of the Administrative Code.[73]

Intervenor GSIS alleges that the project is pursuant to its mandate to grow the funds entrusted to it.[74] It alleges that the Petition should be dismissed, because it was filed out of time since DO No. 2007-28 took effect in July 2007 and the Petition was filed only a year later, thus violating Rule 65 of the Rules of Court.[75]

Further, the remedy availed of is incorrect considering that DOTC exercised quasi-legislative powers in enacting DO 2007-28. Petitioners also failed to exhaust administrative remedies for their inability to give DOTC the opportunity to reconsider DO No. 2007-28.[76]

Intervenor GSIS reiterated its comment-in-intervention and manifested the six (6) pending cases filed by petitioners all of whom had common interests, the same cause of action, and reliefs prayed for in these cases.[77]

The issues to be resolved by this Court are as follows:

1. Whether or not a petition for *certiorari* and prohibition is the correct remedy;

2. Whether or not petitioners have legal standing to bring the Petition;

---

[72] *Id.* at 409-412.

[73] *Id.* at 412-418.

[74] *Id.* at 762.

[75] *Id.* at 764.

[76] *Id.* at 766.

[77] *Id.* at 765-766.

3. Whether or not the enactment of Department Order No. 020-18 mooted the petition; and

4. Whether or not petitioners are guilty of forum shopping.

We resolve to deny the Petition.

I

Respondents allege that the Petition must be dismissed because a Petition for *Certiorari* under Rule 65 of the Rules of Court is only limited to questions arising from quasi-judicial acts. In promulgating DO No. 2007-28, the DOTC exercised its quasi-legislative powers and is thus outside the scope of judicial review under Rule 65 of the Rules of Court.[78]

Moreover, petitioners initially argued that courts have jurisdiction to rule upon the quasi-legislative acts under the principle of separation of powers, however, in its Reply, they changed theory and alleged that DO No. 2007-28 was done in the exercise of DOTC's quasi-judicial powers.[79]

Petitioners availed the correct remedy.

Rule 65, Section 1 of the Rules of Court provides:

SECTION 1. *Petition for certiorari*. — When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess of its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such tribunal, board or officer, and granting such incidental reliefs as law and justice may require.

---

[78] *Id.* at 405-409.

[79] *Id.* at 576-579.

The petition shall be accompanied by a certified true copy of the judgment, order or resolution subject thereof, copies of all pleadings and documents relevant and pertinent thereto, and a sworn certification of non-forum shopping as provided in the third paragraph of Section 3, Rule 46.

This should be read in conjunction with Article 8, Section 1 of the Constitution, which provides the expanded scope of judicial review:

SECTION 1. The judicial power shall be vested in one Supreme Court and in such lower courts as may be established by law.

Judicial power includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable, and to determine whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the government.

It is then settled that courts have the jurisdiction to resolve actual cases or controversies involving administrative actions done in the exercise of their quasi-judicial and quasi-legislative functions.[80] In *Provincial Bus Operators Association of the Philippines (PBOAP) v. DOLE*,[81] this Court laid out the distinction between quasi-judicial and quasi-legislative acts and the requirements of judicial review for each one:

Administrative actions reviewable by this Court, therefore, may either be quasi-legislative or quasi-judicial. As the name implies, quasi-legislative or rule-making power is the power of an administrative agency to make rules and regulations that have the force and effect of law so long as they are issued "within the confines of the granting statute." The enabling law must be complete, with sufficient standards to guide the administrative agency in exercising its rule-making power.

---

[80] *Provincial Bus Operators Association of the Philippines (PBOAP) v. DOLE*, G.R. No. 202275, July 17, 2018, 872 SCRA 50 [Per *J.* Leonen, *En Banc*].

[81] G.R. No. 202275, July 17, 2018, 872 SCRA 50 [Per *J.* Leonen, *En Banc*].

As an exception to the rule on non-delegation of legislative power, administrative rules and regulations must be "germane to the objects and purposes of the law, and be not in contradiction to, but in conformity with, the standards prescribed by law." In *Pangasinan Transportation Co., Inc. v. The Public Service Commission*, this Court recognized the constitutional permissibility of the grant of quasi-legislative powers to administrative agencies, thus:

> One thing, however, is apparent in the development of the principle of separation of powers and that is that the maxim of *delegatus non potest delegari* or *delegata potestas non potest delegari*, attributed to Bracton (De Legibus et Consuetedinious Angliae, edited by G. E. Woodbine, Yale University Press, 1922, vol. 2, p. 167) but which is also recognized in principle in the Roman Law (D. 17.18.3), has been made to adapt itself to the complexities of modern governments, giving rise to the adoption, within certain limits, of the principle of "subordinate legislation," not only in the United States and England but in practically all modern governments. (*People vs. Rosenthal and Osmeña*, G.R. Nos. 46076 and 46077, promulgated June 12, 1939.) Accordingly, with the growing complexity of modern life, the multiplication of the subjects of governmental regulation, and the increased difficulty of administering the laws, there is a constantly growing tendency toward the delegation of greater powers by the legislature, and toward the approval of the practice by the courts. (*Dillon Catfish Drainage Dist. v. Bank of Dillon*, 141 S. E. 274, 275, 143 S. Ct. 178; *State v. Knox County*, 54 S. W. 2d. 973, 976, 165 Tenn. 319.) In harmony with such growing tendency, this Court, since the decision in the case of Compañia General de Tabacos de Filipinas vs. Board of Public Utility Commissioners (34 Phil., 136), relied upon by the petitioner, has, in instances, extended its seal of approval to the "delegation of greater powers by the legislature." (*Inchausti Steamship Co. vs. Public Utility Commissioner*, 44 Phil., 366; *Alegre vs. Collector of Customs*, 53 Phil., 394; *Cebu Autobus Co. vs. De Jesus*, 56 Phil., 446; *People vs. Fernandez & Trinidad*, G.R. No. 45655, promulgated June 15, 1938; *People vs. Rosenthal & Osmeña*, G.R. Nos. 46076, 46077, promulgated June 12, 1939; and *Robb and Hilscher vs. People*, G.R. No. 45866, promulgated June 12, 1939.)

On the other hand, quasi-judicial or administrative adjudicatory power is "the power to hear and determine questions of fact to which the legislative policy is to apply and to decide in accordance with the standards laid down by the law itself in enforcing and administering the same law." The constitutional permissibility of the grant of quasi-judicial powers to administrative agencies has been likewise recognized by this Court. In the 1931 case of *The Municipal Council of Lemery, Batangas v. The Provincial Board of Batangas*, this Court declared that the power of the Municipal Board of Lemery to approve or disapprove a municipal resolution or ordinance is quasi-judicial in nature and, consequently, may be the subject of a *certiorari* proceeding.

Determining whether the act under review is quasi-legislative or quasi-judicial is necessary in determining *when* judicial remedies may properly be availed of. Rules issued in the exercise of an administrative agency's quasi-legislative power may be taken cognizance of by courts *on the first instance* as part of their judicial power, thus:

. . . .

However, in cases involving quasi-judicial acts, Congress may require certain quasi-judicial agencies to first take cognizance of the case before resort to judicial remedies may be allowed. This is to take advantage of the special technical expertise possessed by administrative agencies. *Pambujan Sur United Mine Workers v. Samar Mining Company, Inc.* explained the doctrine of primary administrative jurisdiction, thus:

> That the courts cannot or will not determine a controversy involving a question which is within the jurisdiction of an administrative tribunal prior to the decision of that question by the administrative tribunal, where the question demands the exercise of sound administrative discretion requiring the special knowledge, experience, and services of the administrative tribunal to determine technical and intricate matters of fact, and a uniformity of ruling is essential to comply with the purposes of the regulatory statute administered.[82] (Citations omitted)

---

[82] *Id.* at 85-88.

It is also settled that petitions for *certiorari* and prohibition are proper remedies to correct acts tainted with grave abuse of discretion:[83]

> In *Araullo v. Aquino III*, it was held that petitions for *certiorari* and prohibition filed before the Court "are the remedies by which the grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government may be determined under the Constitution." It was explained that "[w]ith respect to the Court, the remedies of *certiorari* and prohibition are necessarily broader in scope and reach, and the writ of *certiorari* or prohibition may be issued to correct errors of jurisdiction committed not only by a tribunal, corporation, board or officer exercising judicial, quasi-judicial or ministerial functions, but **also to set right, undo[,] and restrain any act of grave abuse of discretion amounting to lack or excess of jurisdiction by any branch or instrumentality of the Government, *even if the latter does not exercise judicial, quasi-judicial or ministerial functions***. This application is expressly authorized by the text of the second paragraph of Section 1, [Article VIII of the 1987 Constitution cited above]."[84] (Emphasis in the original, citations omitted)

Intervenor GSIS alleges that petitioners failed to exhaust administrative remedies because it should have given DOTC the opportunity to reconsider its own issuance.[85]

However, it is settled that the doctrine of exhaustion of administrative remedies finds no application when a questioned act was done in the exercise of quasi-legislative powers:[86]

> In questioning the validity or constitutionality of a rule or regulation issued by an administrative agency, a party need not exhaust administrative remedies before going to court. This principle applies

---

[83] *Samahan ng mga Progresibong Kabataan (SPARK) v. Quezon City*, 815 Phil. 1067 (2017) [Per *J*. Perlas-Bernabe, *En Banc*].

[84] *Id.* at 1087-1088.

[85] *Rollo*, p. 766.

[86] *Smart Communications, Inc. (Smart) v. NTC*, 456 Phil. 145 (2003) [Per *J*. Ynares-Santiago, First Division].

only where the act of the administrative agency concerned was performed pursuant to its quasi-judicial function, and not when the assailed act pertained to its rule-making or quasi-legislative power. In *Association of Philippine Coconut Desiccators v. Philippine Coconut Authority*, it was held:

> The rule of requiring exhaustion of administrative remedies before a party may seek judicial review, so strenuously urged by the Solicitor General on behalf of respondent, has obviously no application here. The resolution in question was issued by the PCA in the exercise of its rule-making or legislative power. However, only judicial review of decisions of administrative agencies made in the exercise of their quasi-judicial function is subject to the exhaustion doctrine.[87] (Citation omitted)

The pertinent powers of the DOTC are enumerated under Section 5 of Executive Order No. 125 as amended:

SECTION 5. *Powers and Functions*. — To accomplish its mandate, the Department shall have the following powers and functions:

(a) Formulate and recommend national policies and guidelines for the preparation and implementation of integrated and comprehensive transportation and communications systems at the national, regional and local levels;

(b) Establish and administer comprehensive and integrated programs for transportation and communications, and for this purpose, may call on any agency, corporation, or organization, whether public or private, whose development programs include transportation and communications as an integral part thereof, to participate and assist in the preparation and implementation of such program;

(c) Assess, review and provide direction to transportation and communications research and development programs of the government in coordination with other institutions concerned;

(d) Administer and enforce all laws, rules and regulations in the field of transportation and communications;

. . . .

---

[87] *Id.* at 157.

(m) Establish and prescribe rules and regulations for the inspection and registration of air and land transportation facilities, such as motor vehicles, trimobiles, railways and aircrafts;

. . . .

(o) Establish and prescribe the corresponding rules and regulations for the enforcement of laws governing land transportation, air transportation and postal services, including the penalties for violations thereof, and for the deputation of appropriate law enforcement agencies in pursuance thereof;

. . . .

(s) Perform such other powers and functions as may be prescribed by law, or as may be necessary, incidental, or proper to its mandate or as may be assigned from time to time by the President of the Republic of the Philippines.

DO No. 2007-28 was issued pursuant to DOTC's exercise of its delegated legislative power under the foregoing provision. Its issuance was done pursuant to its quasi-legislative powers. Thus, the doctrine of exhaustion of administrative remedies does not apply in this case.

II

Even if the correct remedy has been availed, the Petition must be dismissed, there being no justiciable controversy involved since petitioners do not have legal standing to bring the case on behalf of their members.

In *Provincial Bus Operators Association of the Philippines v. DOLE*:[88]

As a rule, "*the constitutionality of a statute will be passed on only if, and to the extent that, it is directly and necessarily involved in a justiciable controversy and is essential to the protection of the rights of the parties concerned*." A controversy is said to be justiciable if: first, there is an actual case or controversy involving legal rights

---

[88] G.R. No. 202275, July 17, 2018, 872 SCRA 50 [Per *J.* Leonen, *En Banc*].

that are capable of judicial determination; second, the parties raising the issue must have standing or *locus standi* to raise the constitutional issue; third, the constitutionality must be raised at the earliest opportunity; and fourth, resolving the constitutionality must be essential to the disposition of the case.

An actual case or controversy is "one which involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution." A case is justiciable if the issues presented are "definite and concrete, touching on the legal relations of parties having adverse legal interests." The conflict must be ripe for judicial determination, not conjectural or anticipatory; otherwise, this Court's decision will amount to an advisory opinion concerning legislative or executive action. In the classic words of *Angara v. Electoral Commission*:

> [T]his power of judicial review is limited to actual cases and controversies to be exercised after full opportunity of argument by the parties, and limited further to the constitutional question raised or the very *lis mota* presented. Any attempt at abstraction could only lead to dialectics and barren legal questions and to sterile conclusions unrelated to actualities. Narrowed as its function is in this manner, the judiciary does not pass upon questions of wisdom, justice or expediency of legislation. More than that, courts accord the presumption of constitutionality to legislative enactments, not only because the legislature is presumed to abide by the Constitution but also because the judiciary in the determination of actual cases and controversies must reflect the wisdom and justice of the people as expressed through their representatives in the executive and legislative departments of the governments.

Even the expanded jurisdiction of this Court under Article VIII, Section 1 does not provide license to provide advisory opinions. An advisory opinion is one where the factual setting is conjectural or hypothetical. In such cases, the conflict will not have sufficient concreteness or adversariness so as to constrain the discretion of this Court. After all, legal arguments from concretely lived facts are chosen narrowly by the parties. Those who bring theoretical cases will have no such limits. They can argue up to the level of absurdity. They will bind the future parties who may have more motives to choose specific legal arguments. In other words, for there to be a real conflict

between the parties, *there must exist actual facts from which courts can properly determine whether there has been a breach of constitutional text*.[89] (Emphasis in the original, citations omitted)

Petitioners ground their constitutional challenge against DO No. 2007-28, arguing that in adopting the GSIS model, the DOTC and LTO engaged in a form of take-over of private insurance businesses in violation of Article 12, Section 17 of the Constitution.[90]

Further, the designation of GSIS as the sole CTPL Insurance provider is an invasion of private businesses done without due process and consultation with affected parties.[91] Since DO No. 2007-28 has a great adverse impact on the insurance business, it is also violative of Article 2, Sections 9 and 18 of the Constitution.[92]

This Court will not pass upon Constitutional issues raised in a case when it is not the *lis mota*. More so when it can be resolved on some other ground.[93]

The foregoing constitutional issues are not material to the resolution of the case. This Court resolves to dismiss the case for petitioners' failure to establish all the requisites of judicial review.

We rule that petitioners failed to establish their legal standing.

Petitioners assert their standing as "associations of non-life insurance managers, agents, underwriters, brokers[,] and workers representing member[s] who are licensed agents, brokers[,] and workers . . . as citizens and taxpayers[.]"[94] They also advance

---

[89] *Id.* at 98-100.

[90] *Rollo*, p. 56.

[91] *Id.* at 84.

[92] *Id.* at 57-58.

[93] *Garcia v. Executive Secretary*, 602 Phil. 64 (2009) [Per *J*. Brion, *En Banc*].

[94] *Rollo*, p. 582.

the interests of their members who are insurance agents and their fiduciary duty to the public to ensure compliance with the Insurance Code.[95]

In *Provincial Bus Operators Association of the Philippines v. DOLE*,[96] this Court traced the requirements of legal standing where associations may bring a case on behalf of its members:

> Associations were likewise allowed to sue on behalf of their members.
>
> In *Pharmaceutical and Health Care Association of the Philippines v. Secretary of Health*, the Pharmaceutical and Health Care Association of the Philippines, "representing its members that are manufacturers of breastmilk substitutes," led a petition for *certiorari* to question the constitutionality of the rules implementing the Milk Code. The association argued that the provisions of the implementing rules prejudiced the rights of manufacturers of breastmilk substitutes to advertise their product.
>
> This Court allowed the Pharmaceutical and Health Care Association of the Philippines to sue on behalf of its members. "[A]n association," this Court said, "has the legal personality to represent its members because the results of the case will affect their vital interests." In granting the Pharmaceutical and Health Care Association legal standing, this Court considered the amended articles of incorporation of the association and found that it was formed "to represent directly or through approved representatives the pharmaceutical and health care industry before the Philippine Government and any of its agencies, the medical professions and the general public." Citing *Executive Secretary v. Court of Appeals*, this Court declared that "the modern view is that an association has standing to complain of injuries to its members." This Court continued:
>
> > [This modern] view fuses the legal identity of an association with that of its members. An association has standing to file suit for its workers despite its lack of direct interest if its members are affected by the action. An organization has standing to assert the concerns of its constituents.

---

[95] *Id.* at 582-586.

[96] G.R. No. 202275, July 17, 2018, 872 SCRA 50 [Per *J.* Leonen, *En Banc*.]

> x x x x x x x x x
>
> . . . We note that, under its Articles of incorporation, the respondent was organized . . . to act as the representative of any individual, company, entity or association on matters related to the manpower recruitment industry, and to perform other acts and activities necessary to accomplish the purposes embodied therein. The respondent is, thus, the appropriate party to assert the rights of its members, because it and its members are in every practical sense identical . . . The respondent [association] is but the medium through which its individual members seek to make more effective the expression of their voices and the redress of their grievances.

In *Holy Spirit Homeowners Association, Inc. v. Defensor*, the Holy Spirit Homeowners Association, Inc. led a petition for prohibition, praying that this Court enjoin the National Government Center Administration Committee from enforcing the rules implementing Republic Act No. 9207. The statute declared the land occupied by the National Government Center in Constitution Hills, Quezon City distributable to *bona fide* beneficiaries. The association argued that the implementing rules went beyond the provisions of Republic Act No. 9207, unduly limiting the area disposable to the beneficiaries.

The National Government Center Administration Committee questioned the legal standing of the Holy Spirit Homeowners Association, Inc., contending that the association "is not the duly recognized people's organization in the [National Government Center]."

Rejecting the National Government Center Administration Committee's argument, this Court declared that the Holy Spirit Homeowners Association, Inc. "ha[d] the legal standing to institute the [petition for prohibition] whether or not it is the duly recognized association of homeowners in the [National Government Center]." This Court noted that the individual members of the association were residents of the National Government Center. Therefore, "they are covered and stand to be either benefited or injured by the enforcement of the [implementing rules], particularly as regards the selection process of beneficiaries and lot allocation to qualified beneficiaries."

In *The Executive Secretary v. The Hon. Court of Appeals*, cited in the earlier discussed *Pharmaceutical and Health Care Association of the Philippines*, the Asian Recruitment Council Philippine Chapter,

Inc. led a petition for declaratory relief for this Court to declare certain provisions of Republic Act No. 8042 or the Migrant Workers and Overseas Filipinos Act of 1995 unconstitutional. The association sued on behalf of its members who were recruitment agencies.

This Court took cognizance of the associations' petition and said that an association "is but the medium through which its individual members seek to make more effective the expression of their voices and the redress of their grievances." It noted that the board resolutions of the individual members of the Asian Recruitment Council Philippine Chapter, Inc. were attached to the petition, thus, proving that the individual members authorized the association to sue on their behalf.

The associations in *Pharmaceutical and Health Care Association of the Philippines, Holy Spirit Homeowners Association, Inc.*, and *The Executive Secretary* were allowed to sue on behalf of their members because they sufficiently established who their members were, that their members authorized the associations to sue on their behalf, and that the members would be directly injured by the challenged governmental acts.

The liberality of this Court to grant standing for associations or corporations whose members are those who suffer direct and substantial injury depends on a few factors.

In all these cases, there must be an actual controversy. Furthermore, there should also be a clear and convincing demonstration of special reasons why the truly injured parties may not be able to sue.

Alternatively, there must be a similarly clear and convincing demonstration that the representation of the association is more efficient for the petitioners to bring. They must further show that it is more efficient for this Court to hear only one voice from the association. In other words, the association should show special reasons for bringing the action themselves rather than as a class suit, allowed when the subject matter of the controversy is one of common or general interest to many persons. In a class suit, a number of the members of the class are permitted to sue and to defend for the benefit of all the members so long as they are sufficiently numerous and representative of the class to which they belong.

In some circumstances similar to those in *White Light*, the third parties represented by the petitioner would have special and legitimate reasons why they may not bring the action themselves. Understandably,

the cost to patrons in the *White Light* case to bring the action themselves — i.e., the amount they would pay for the lease of the motels — will be too small compared with the cost of the suit. But viewed in another way, whoever among the patrons files the case even for its transcendental interest endows benefits on a substantial number of interested parties without recovering their costs. This is the free rider problem in economics. It is a negative externality which operates as a disincentive to sue and assert a transcendental right.

In addition to an actual controversy, special reasons to represent, and disincentives for the injured party to bring the suit themselves, there must be a showing of the transcendent nature of the right involved.[97]

In that case, Provincial Bus Operators Association of the Philippines, representing public utility bus operators, filed a petition for *certiorari* assailing DOLE's Department Order No. 118-12 which requires certificates of labor standards compliance as a prerequisite of issuance and renewal of their certificates of public convenience. This Court held that in order for an association to have legal standing, it must establish the identity of its members, and present proof of its authority to bring the suit for and on behalf of its members.[98]

In the present case however, petitioners failed to establish their legal standing as an association suing on behalf of their members. While they presented their respective Certificates of Incorporation,[99] there was no showing that the associations were authorized to represent its members in the protection of their insurance business.

Petitioners generally averred that their membership was composed of non-life insurance agents and underwriters. However, they failed to present proof that their members were actually engaged in providing CTPL Insurance, and hence will be directly injured with the enactment of DO No. 2007-28.

---

[97] *Id.* at 107-111.

[98] *Id.*

[99] *Rollo*, pp. 131-164.

Aside from this, petitioners also failed to submit proof that they were authorized to file the case on behalf of their members. Petitioners BMIS and MUNLI attached their respective Secretary's Certificates authorizing their respective chairpersons to represent the association in petitions for *certiorari* against the DOTC and LTO.[100]

A reading of the certificates, however, does not show that the association has been authorized by its members to file the petition on their behalf. Instead, the certificates show only the authority of their respective chairpersons to file the case for and on behalf of the association.[101]

---

[100] *Id.* at 158 and 165.

[101] BMIS, Resolution No. 07, July 20, 2007 states:

BE IT RESOLVED, as it is hereby resolved, to authorize MR. SALVADOR NAVIDAD to cause the preparation by the lawyer whose legal service have been engaged by the Association, if a petitioner *(sic) certiorari* on other appropriate proceedings against the responsible officials of the DOTC/LTO and other necessary parties, covering DOTC MEMO No. 28 dated July 5, 2007 and to sign the same for and in behalf of the ASSOCIATION, including such other all pertinent papers as may be required or necessary in connection therewith. (*Rollo*, p. 157)

Secretary's Certificate dated July 3, 2007 of MUNLI states:

RESOLVED, AS IT IS HEREBY RESOLVED to authorize the association Chairman of the Board, Jesus P. Sevilla, to initiate, prosecute, sign, execute, verify and certify all initiatory pleadings, motions, and other documents and/or to represent MUNLI in any and all hearings or proceedings in connection with the Petition to be filed by MUNLI against Secretary Leandro R. Mendoza and Department of Transportation and Communication and Communication and Asst. Secretary Reynaldo I. Berroya, Hon. Alberto Suansing and STRADCOM Corp., including the possibility of obtaining stipulations or admissions, the simplification of issues, and entering into settlements and compromise agreement.

RESOLVED FURTHER, to give and grant to said Mr. Jesus P. Sevilla full power and authority whatsoever requisite or necessary and proper to be done in and about the premises fully to all intents and purposed as the Board of Trustee might or could lawfully do if personally present, with power of substitution and revocation, and hereby satisfying and confirming all that said Mr. Sevilla shall lawfully do or cause to be done under and by virtue of this resolution. (*Rollo*, p. 165)

As regards petitioner Alliance's Secretary Certificate, respondents point to an irregularity: similarly worded certificates are purportedly issued on the same day and are referring to the same meeting, but are pertaining to different persons authorized to file a case for the corporation.[102]

In response, petitioner Alliance clarified that this was an error which the Court of Appeals allowed to be rectified in the proceedings below.[103] However, a copy of the resolution was not attached in any of the pleadings submitted by petitioner.

The foregoing secretary's certificates do not show that the association members authorized petitioners to bring the petition on their behalf. Without the required authorization of its members, an association is bereft of legal personality to bring a representative suit.

Petitioners also assert their members' standing as citizens and taxpayers.[104]

In *David v. Arroyo*,[105] this Court summarized the requirements where taxpayers and concerned citizens have the legal standing to sue:

(1) the cases involve constitutional issues;

(2) for taxpayers, there must be a claim of illegal disbursement of public funds or that the tax measure is unconstitutional;

(3) for voters, there must be a showing of obvious interest in the validity of the election law in question;

(4) for concerned citizens, there must be a showing that the issues raised are of transcendental importance which must be settled early; and

---

[102] *Rollo*, pp. 404-405.

[103] *Id.* at 576.

[104] *Id.* at 582.

[105] 522 Phil. 705 (2006) [Per *J.* Sandoval-Gutierrez, *En Banc*].

(5) for legislators, there must be a claim that the social action complained of infringes upon their prerogatives as legislators.[106]

In *Mamba v. Lara*,[107] this Court discussed the requirements of a taxpayer's suit:

> A taxpayer is allowed to sue where there is a claim that public funds are illegally disbursed, or that the public money is being deflected to any improper purpose, or that there is wastage of public funds through the enforcement of an invalid or unconstitutional law. A person suing as a taxpayer, however, must show that the act complained of directly involves the illegal disbursement of public funds derived from taxation. He must also prove that he has sufficient interest in preventing the illegal expenditure of money raised by taxation and that he will sustain a direct injury because of the enforcement of the questioned statute or contract. In other words, for a taxpayer's suit to prosper, two requisites must be met: **(1) public funds derived from taxation are disbursed by a political subdivision or instrumentality and in doing so, a law is violated or some irregularity is committed and (2) the petitioner is directly affected by the alleged act**.[108] (Citations omitted, emphasis supplied)

The present case is not a taxpayer's suit. There has been no illegal disbursement of public funds, as guidelines for the implementation of DO No. 2007-28 has not yet been implemented. Consistently, petitioners invoke their legal standing to sue for and on behalf of its members. It was only due to an afterthought that petitioners made an effort to establish their legal standing as citizens and taxpayers.

Further, there was no showing why non-life insurance agents, underwriters, and their alleged members cannot file the case for themselves. There was also no showing that it was more efficient for the members of petitioners to bring the case by themselves, rather than be represented by their respective associations. Based on the parameters of *Provincial Bus*

---

[106] *Id.* at 760.

[107] 623 Phil. 63 (2009) [Per *J.* Del Castillo, Second Division].

[108] *Id.* at 76-77.

Operators Association of the Philippines v. DOLE,[109] petitioners failed to establish their legal standing.

More importantly, there is no transcendental right involved, since the Constitutional issues advanced by petitioners are not essential to the resolution of the case. Worse, Petitioners trifled with this Court's processes and filed multiple cases seeking for the same reliefs, which will be discussed below. There is no reason for the Court to examine the Constitutional issues raised in the Petition.

III

One of the tenets of judicial review is that this Court will not rule on moot and academic cases because judicial power is grounded on actual controversies.[110] A case becomes moot and academic when it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value."[111]

In *Land Bank of the Philippines v. Fastech Synergy Philippines, Inc.*,[112] this Court reiterated the exceptions to this rule:

In *Timbol v. Commission on Elections*:

A case is moot and academic if it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value." When a case is moot and academic, this court generally declines jurisdiction over it.

There are recognized exceptions to this rule. This court has taken cognizance of moot and academic cases when:

---

[109] G.R. No. 202275, July 17, 2018, 872 Phil. 50 [Per *J.* Leonen, *En Banc*].

[110] CONST., Art. VIII, Sec. 1.

[111] *Land Bank of the Philippines v. Fastech Synergy Philippines, Inc.*, 816 Phil. 422, 443-444 (2017) [Per *J.* Leonen, Second Division] citing *Timbol v. Commission on Elections*, 754 Phil. 578 (2015) [Per *J.* Leonen, *En Banc*].

[112] 816 Phil. 422 (2017) [Per *J.* Leonen, Second Division].

(1) there was a grave violation of the Constitution; (2) the case involved a situation of exceptional character and was of paramount public interest; (3) the issues raised required the formulation of controlling principles to guide the Bench, the Bar and the public; and (4) the case was capable of repetition yet evading review.

In *Republic v. Moldez Realty, Inc.*:

A case becomes moot and academic when, by virtue of supervening events, the conflicting issue that may be resolved by the court ceases to exist. There is no longer any justiciable controversy that may be resolved by the court. This court refuses to render advisory opinions and resolve issues that would provide no practical use or value. Thus, courts generally decline jurisdiction over such case or dismiss it on ground of mootness.[113] (Citations omitted)

Respondents allege that there is no actual case or controversy ripe for judicial adjudication, because DO No. 2007-28 is not self-executing, and because the guidelines for its implementation have yet to be issued by the DOTC.[114] They argue that the Petition is premature.[115]

We rule otherwise. The supervening enactment of DOTr Department Order No. 020-18,[116] issued last August 24, 2018, has mooted the instant Petition.

Under DO No. 020-18, the DOTr acknowledges the sole and exclusive authority of the Insurance Commission to determine which can provide Compulsory Motor Vehicle Liability Insurance and Passenger Personal Accident Insurance (Insurance Policies).[117]

---

[113] *Id.* at 443-444.

[114] *Id.* at 285-287.

[115] *Id.* at 411.

[116] Department Order No. 020-18 (2018), Revised Guidelines on Mandatory Insurance Policies for Motor Vehicles and Personal Passenger Accident Insurance for Public Utility Vehicles.

[117] Department Order No. 020-18 (2018), Whereas Clause states:

DOTr imposes on its line agencies, the LTO and the Land Transportation Franchising and Regulatory Board (LTFRB), the duty to "secure from the Commission the list of all qualified insurance companies, joint ventures, or consortiums . . . which are authorized to issue Insurance Policies in accordance with the insurance requirements set by LTO and LTFRB."[118]

The list of qualified insurance providers shall be posted in the premises of LTO and LTFRB, to which the applicants are free to choose from:

SECTION 3. *Posting of List & Issuance of Insurers*. — The LTO and LTFRB will post the list of Qualified Insurers in conspicuous places within the premises of their respective offices. The applicants are free to choose and secure the Insurance Policies from any of the Qualified Insurers, and all insurance premiums shall be strictly paid in the offices or authorized collection sites of the Qualified Insurers. The LTO and LTFRB will not issue any Certificate of Registration (COR) and/or Certificate of Public Convenience (CPC) unless the applicant has sufficiently shown that the Insurance Policies were secured only from the Qualified Insurers.[119]

Sections 4, 5 and 6 of DO 020-18 also lists prohibited activities of both the qualified insurers and government personnel, and the appropriate sanctions:

SECTION 4. *Prohibited Activities by Qualified Insurers*. — All Qualified Insurers are strictly prohibited —

i.) To put up, establish or maintain any office, satellite or otherwise, inside the premises of the LTO and LTFRB;

WHEREAS, in order to eradicate the foregoing unlawful practices, to remove the perception that LTO and LTFRB personnel are involved in illegal and corrupt activities, to finally rid the LTO and LTFRB from any form of proprietary interests arising from the issuance of the Insurance Policies, and to further serve the interest of public service, the Department of Transportation (DOTr) deems it best to revamp the existing guidelines and decide that the determination of duly qualified insurers who can provide the Insurance Policies be placed under the sole and exclusive authority of the Insurance Commission (the *"Commission"*).

[118] Department Order No. 020-18 (2018), Sec. 2.

[119] Department Order No. 020-18 (2018), Sec. 3.

ii.) To designate, appoint or maintain any officer, agent, representative or personnel tasked with selling insurance covers or collecting insurance premiums inside LTO and LTFRB premises; and

iii.) To give, distribute or display, inside the premises of the LTO and LTFRB, any form of giveaways or other propaganda materials, such as, but not limited to, calendars, journals, ballpens, brochures, cards, etc., that tend to advertise their respective insurance businesses.

SECTION 5. *Prohibited Activities by Government Personnel*. — All officers, employees or personnel of the DOTr, LTO and LTFRB are strictly prohibited —

i.) To allow, aid or abet, directly or indirectly, the commission of any of the prohibited activities under Sec. 4;

ii.) To endorse, favor or give any form of recommendation to applicants in behalf of any Qualified Insurer;

iii.) To sell insurance policies or collect premiums in behalf of any Qualified Insurer; and

iv.) To issue or furnish applicants with any list or document containing the names of insurers, other than the list of Qualified Insurers issued by the Commission.

SECTION 6. *Sanctions*. — Any Qualified Insurer who is found to have violated Sec. 4 will be permanently blacklisted from issuing the Insurance Policies, whether directly or indirectly, and will be disqualified from participating in other programs of the DOTr, LTO and LTFRB. Any officer, employee or personnel of the DOTr, LTO and LTFRB who is found to have violated Sec. 5 will be held liable for Serious Misconduct under the 2017 Rules on Administrative Cases in the Civil Service, without prejudice to other administrative or criminal liability.

Finally, DO No. 020-18 repeals all other department orders, circulars, special orders, office order, and/or other inconsistent issuances.[120] This is in the nature of a general repealing provision:[121]

---

[120] Department Order No. 020-18 (2018), Sec. 9 states:
SECTION 9. *Repealing Clause*. — All other Department Orders, Circulars, Special Orders, Office Orders, and/or other issuances inconsistent herewith are hereby superseded or modified accordingly.

The question that should be asked is: What is the nature of this repealing clause? It is certainly not an express repealing clause because it fails to identify or designate the act or acts that are intended to be repealed. Rather, it is an example of a general repealing provision, as stated in Opinion No. 73, S. 1991. *It is a clause which predicates the intended repeal under the condition that a substantial conflict must be found in existing and prior acts*. The failure to add a specific repealing clause indicates that the intent was not to repeal any existing law, unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and old laws. This latter situation falls under the category of an implied repeal.

Repeal by implication proceeds on the premise that where a statute of later date clearly reveals an intention on the part of the legislature to abrogate a prior act on the subject, that intention must be given effect. Hence, before there can be a repeal, there must be a clear showing on the part of the lawmaker that the intent in enacting the new law was to abrogate the old one. The intention to repeal must be clear and manifest; otherwise, at least, as a general rule, the later act is to be construed as a continuation of, and not a substitute for, the first act and will continue so far as the two acts are the same from the time of the first enactment.

There are two categories of repeal by implication. The first is where provisions in the two acts on the same subject matter are in an irreconcilable conflict, the later act to the extent of the conflict constitutes an implied repeal of the earlier one. *The second is if the later act covers the whole subject of the earlier one and is clearly intended as a substitute, it will operate to repeal the earlier law*.

Implied repeal by irreconcilable inconsistency takes place when the two statutes cover the same subject matter; they are so clearly inconsistent and incompatible with each other that they cannot be reconciled or harmonized; and both cannot be given effect, that is, that one law cannot he enforced without nullifying the other.[122] (Emphasis supplied, citations omitted)

---

[121] *Mecano v. Commission on Audit*, 209-A Phil. 272 (1992) [Per *J.* Campos, *En Banc*].

[122] *Id.* at 279-281.

Implied repeals are not favored, because it is presumed that a law-making body considers all existing laws, and thus could not have made conflicting rules:

It is a well-settled rule of statutory construction that repeals by implication are not favored. The rationale behind the rule is explained as follows:

> Repeal of laws should be made clear and expressed. Repeals by implication are not favored as laws are presumed to be passed with deliberation and full knowledge of all laws existing on the subject. Such repeals are not favored for a law cannot be deemed repealed unless it is clearly manifest that the legislature so intended it. The failure to add a specific repealing clause indicates that the intent was not to repeal any existing law, unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and old laws.

Likewise, in another case, it was held:

> Well-settled is the rule that repeals of laws by implication are not favored, and that courts must generally assume their congruent application. The two laws must be absolutely incompatible, and a clear finding thereof must surface, before the inference of implied repeal may be drawn. The rule is expressed in the maxim, *interpretare et concordare leqibus est optimus interpretendi, i.e.*, every statute must be so interpreted and brought into accord with other laws as to form a uniform system of jurisprudence. The fundament is that the legislature should be presumed to have known the existing laws on the subject and not have enacted conflicting statutes. Hence, all doubts must be resolved against any implied repeal, and all efforts should be exerted in order to harmonize and give effect to all laws on the subject.[123] (Citations omitted)

This Court holds that DO No. 020-18 impliedly repealed DO No. 2007-28 for their irreconcilable inconsistencies.

Under DO No. 2007-28, the issuance of CTPL Insurance was envisioned to be integrated with every motor vehicle registration

---

[123] *Magkalas v. National Housing Authority*, 587 Phil. 152, 166-167 (2008) [Per *J*. Leonardo-de Castro, First Division].

and their renewal. The objectives of DO No. 2007-28 are as follows:

3.0. Objectives for the establishment of the Integrated CTPL Insurance Program are as follows:

3.1. To promote greater efficiency in the collection and remittance of correct taxes to the national and local governments;

3.2. To ensure that registered vehicles comply with regulatory requirements by enabling the LTO to ascertain that only vehicles with valid and authentic CTPL insurance would be registered;

3.3. To minimize manual intervention in motor vehicle registration;

3.4. To eliminate the opportunities for graft and corrupt practices vis-à-vis the procurement of CTPL insurance;

3.5. To ensure that the purchase of CTPL insurance is easily accessible to the public;

3.6. To ensure the protection of the vehicle registering public against over pricing/predatory pricing of CTPL insurance policies;

3.7. To ensure the welfare and protection of the public from fake or duplicate CTPL insurance policies; and

3.8. To ensure ready access to claims service.[124] (Emphasis in the original)

Under DO No. 2007-28, in the Integrated CTPL Insurance Program, the LTO collects the premium, taxes, and registration fees. The proof of CTPL Insurance coverage is automatically reflected in the LTO Official Receipt of Registration.[125]

The proposed system is made possible with LTO's online and real-time interconnection of its LTO IT Project's MVRS and Revenue Collection System, which is facilitated by respondent Stradcom.[126] In exchange for respondent Stradcom's service, it will be paid an interconnectivity fee for each CTPL

---

[124] *Rollo*, p. 171.

[125] *Id.* at 13.

[126] *Id.* at 172.

insurance issued for the duration of its contract with DOTC and LTO.

However, on August 24, 2018, the DOTr enacted Department Order No. 020-18, which revised existing guidelines on CTPL Insurance. Section 3 of Department Order No. 020-18 provides that applicants for registration are responsible for procuring CTPL Insurance from the list of qualified insurers issued by the Insurance Commission:

> SECTION 3. *Posting of List & Issuance of Insurers*. — The LTO and LTFRB will post the list of Qualified Insurers in conspicuous places within the premises of their respective offices. *The applicants are free to choose and secure the Insurance Policies from any of the Qualified Insurers, and all insurance premiums shall be strictly paid in the offices or authorized collection sites of the Qualified Insurers*. The LTO and LTFRB will not issue any Certificate of Registration (COR) and/or Certificate of Public Convenience (CPC) unless the applicant has sufficiently shown that the Insurance Policies were secured only from the Qualified Insurers. (Emphasis supplied)

The provisions of Department Order No. 2007-28 cannot be harmonized with the provisions of the supervening regulation: Department Order No. 020-18. This is because the issuances and payments of CTPL Insurance are no longer integrated with the LTO IT System. This is markedly different from what its predecessor, the DOTC, envisioned under Department Order No. 2007-28.

Moreover, the intention of the DOTr to repeal Department Order No. 2007-28 is evident in the preambulatory clause of Department Order No. 020-18:

> WHEREAS, in order to eradicate the foregoing unlawful practices, to remove the perception that LTO and LTFRB personnel are involved in illegal and corrupt activities, to finally rid the LTO and LTFRB from any form of proprietary interests arising from the issuance of the Insurance Policies, and to further serve the interest of public service, the Department of Transportation (DOTr) *deems it best to revamp the existing guidelines and decide that the determination of duly qualified insurers who can provide the Insurance Policies be placed*

under the sole and exclusive authority of the Insurance Commission (the "Commission"). (Emphasis supplied)

The intent to repeal is reiterated in Section 9 where all other issuances which are inconsistent with the Department Order, are superseded or modified accordingly. Necessarily, DOTr Department Order No. 020-18 superseded DOTC's Department Order No. 2007-28.

Further, under the supervening regulation, the DOTr and LTO are no longer "the lead agency in the implementation of the Integrated CTPL Insurance Program nationwide."[127] This is because the DOTr recognized the "sole and exclusive authority of the Insurance Commission"[128] in the determination of duly qualified CTPL insurers. Under the supervening regulations, LTO will no longer issue CTPL Insurance and receive payment for its premiums. Its role, as regards to CTPL Insurance, is checking whether the CTPL procured by an applicant is included in the list of qualified insurers provided by the Insurance Commissioner.

Thus, the present petition has become moot and academic with the issuance of DO No. 020-18. There are no circumstances present, which allows this Court to rule on the other substantive issues raised by the parties.

IV

Aside from the Petition's failure to comply with the requirements of justiciability, the Court of Appeals correctly dismissed the case for petitioners' deliberate forum-shopping.

Respondents allege that petitioners Alliance and BMIS engaged in forum shopping. Previously, they filed a Petition before the Court of Appeals docketed as CA-G.R. SP No. 99791, which they withdrew due to a pending case filed by PIRA before the Regional Trial Court of Makati docketed as SCA Case No.

---

[127] *Id.* at 172.

[128] DOTr, Department Order No. 20-18 (2018), Sec. 1.

673.[129] Respondents impute bad faith on petitioners for refiling the similarly worded petition in CA-G.R. SP No. 99791, which is now the subject of the present petition.

Further, respondents allege that the present petition is barred by the Court of Appeals Resolution in CA-G.R. SP No. 99992, dismissing a similarly worded petition filed by petitioner MUNLI for its failure to exhaust administrative remedies. Supposedly, petitioner MUNLI did not move for its reconsideration, and thus barred from filing the present case.[130]

We agree with respondents.

A review of the timeline of the filing of these petitions shows the nefarious scheme of petitioners in filing multiple cases in different tribunals. This shows their intention to seek a judgment favorable to them.

On July 23, 2007, Petitioners Alliance and BMIS filed CA G.R. SP No. 99791 before the Court of Appeals.[131] Four (4) days later, or on July 27, 2007, PIRA filed a Petition before the Regional Trial Court Makati.[132] An injunction was then issued by the Makati Regional Trial Court against the implementation of DO No. 2007-28.[133]

Thereafter, petitioners withdrew CA G.R. SP No. 99791, citing the pendency of the Makati Regional Trial Court case filed by PIRA.[134] This was done despite petitioners not being parties to the case, and despite the petition not having been filed earlier than that of the lower courts.

On June 24, 2008, the Makati Regional Trial Court dissolved the injunction and dismissed the case.[135]

---

[129] *Id.* at 402.

[130] *Id.* at 398-399.

[131] *Id.* at 765.

[132] *Id.*

[133] *Id.* at 402.

[134] *Id.* at 449-450.

[135] *Id.* at 454-462.

On July 7, 2008, petitioners filed a Petition for *Certiorari*, which was the precedent of the Petition for Review before the Court of Appeals docketed as CA G.R. SP No. 104211.[136]

Worse, the present Petition for *Certiorari* is an almost *verbatim* reproduction of the August 1, 2007 petition filed by petitioner MUNLI in CA G.R. SP No. 99992. To recall, CA G.R. SP No. 99992 was dismissed on August 13, 2007 for non-exhaustion of administrative remedies.[137] Petitioner MUNLI also tried to withdraw CA G.R. SP No. 99992, one (1) day after it was dismissed.

Petitioners admit that CA G.R. SP No. 104211 is almost a *verbatim* reproduction of the petition in CA G.R. SP No. 99992. However, they contend that there is "no rule nor any law which prohibits similar petitions to be filed and refiled neither bars a lawyer to handle cases of similar circumstances, especially on cases which are legally withdrawn and dismissed at the instance of the petitioners."[138]

Petitioners are gravely mistaken.

Section 5, Rule 7 of the Rules of Court prohibits forum shopping:

SECTION 5. *Certification against forum shopping*. — The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to

---

[136] *Id*. at 501-538.

[137] *Id.* at 499-500.

[138] *Id.* at 575.

the court wherein his aforesaid complaint or initiatory pleading has been filed.

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions. (n)

In *City of Taguig v. City of Makati*,[139] this Court extensively discussed the modes of commission of forum shopping and its requisites:

Jurisprudence has recognized that forum shopping can be committed in several ways:

> (1) filing multiple cases based on the same cause of action and with the same prayer, the previous case not having been resolved yet (where the ground for dismissal is *litis pendentia*); (2) filing multiple cases based on the same cause of action and the same prayer, the previous case having been finally resolved (where the ground for dismissal is *res judicata*); and (3) filing multiple cases based on the same cause of action but with different prayers (splitting of causes of action, where the ground for dismissal is also either *litis pendentia* or *res judicata*).

Similarly, it has been recognized that forum shopping exists "where a party attempts to obtain a preliminary injunction in another court after failing to obtain the same from the original court."

The test for determining forum shopping is settled. In *Yap v. Chua, et al.*:

> To determine whether a party violated the rule against forum shopping, the most important factor to ask is whether the elements of *litis pendentia* are present, or whether a final judgment in one case will amount to *res judicata* in another; otherwise stated, the test for determining forum shopping is whether in the two

[139] 787 Phil. 367 (2016) [Per *J*. Leonen, Second Division].

> (or more) cases pending, there is identity of parties, rights or causes of action, and reliefs sought.

For its part, *litis pendentia* "refers to that situation wherein another action is pending between the same parties for the same cause of action, such that the second action becomes unnecessary and vexatious." For *litis pendentia* to exist, three (3) requisites must concur:

> The requisites of *litis pendentia* are: (a) the identity of parties, or at least such as representing the same interests in both actions; (b) the identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) the identity of the two cases such that judgment in one, regardless of which party is successful, would amount to *res judicata* in the other.

On the other hand, *res judicata* or prior judgment bars a subsequent case when the following requisites are satisfied:

> (1) the former judgment is final; (2) it is rendered by a court having *jurisdiction* over the subject matter and the parties; (3) it is a judgment or an order *on the merits*; (4) there is — between the first and the second actions — *identity* of parties, of subject matter, and of causes of action. (Emphasis in the original)

These settled tests notwithstanding:

> Ultimately,·what is truly important to consider in determining whether forum-shopping exists or not is the vexation caused the courts and parties litigant by a party who asks different courts and/or administrative agencies to rule on the same or related causes and/or to grant the same or substantially the same reliefs, in the process creating the possibility of conflicting decisions being rendered by the different fora upon the same issue.[140] (Citations omitted)

In *Fil-Estate Golf and Development, Inc. v. Court of Appeals*,[141] complainant Felipe Layos filed a complaint for injunction and damages with application for Preliminary Injunction against Fil-Estate Realty Corporation (FERC), before the Regional Trial Court of Biñan, Laguna. Since he impleaded the wrong defendant, he filed a similarly worded complaint against FERC's sister company, Fil-Estate Golf and Development, Inc.

---

[140] *Id.* at 386-388.

[141] 333 Phil. 465 (1996) [Per *J.* Kapunan, First Division].

(FEGDI) before another Regional Trial Court in San Pedro, Laguna. Both actions were dismissed for deliberate and wilful forum shopping:

As clearly demonstrated above, the willful attempt by private respondents to obtain a preliminary injunction in another court after it failed to acquire the same from the original court constitutes grave abuse of the judicial process. Such disrespect is penalized by the summary dismissal of both actions as mandated by paragraph 17 of the Interim Rules and Guidelines issued by this Court on 11 January 1983 and Supreme Court Circular No. 28-91. In *Bugnay Construction & Development Corporation v. Laron*, we declared:

> Forum-shopping, an act of malpractice, is proscribed and condemned as trifling with the courts and abusing their processes. It is improper conduct that degrades the administration of justice. The rule has been formalized in Paragraph 17 of the Interim Rules and Guidelines issued by this Court on January 11, 1983, in connection with the implementation of the Judiciary Reorganization Act. Thus, said Paragraph 17 provides that no petition may be led in the then Intermediate Appellate Court, now the Court of Appeals "if another similar petition has been filed or is still pending in the Supreme Court" and vice-versa. The Rule ordains that "(a) violation of the rule shall constitute a contempt of court and shall be a cause for the summary dismissal of both petitions, without prejudice to the taking of appropriate action against the counsel or party concerned."
>
> This rule has been equally applied in the recent case of *Limpin, Jr., et al. v. Intermediate Appellate Court, et al.*, where the party having led an action in one branch of the regional trial court shops for the same remedies of a restraining order and a writ of preliminary injunction in another branch of the same court. We ruled therein that:

"So, too, what has thus far been said more than amply demonstrates Sarmiento's and Basa's act of forum-shopping. Having failed to obtain the reliefs to which they were not entitled in the first place from the "Solano Court," the Court of Appeals, and the Supreme Court, they subsequently instituted two (2) actions in the 'Beltran Court' for the same purpose, violating in the process the ruling against splitting causes of action. The sanction is inescapable: dismissal of both actions, for gross abuse of judicial processes."[142] (Citations omitted)

---

[142] *Id.* at 486-487.

In this case, we agree with respondents that petitioners Alliance and BMIS withdrew CA G.R. SP No. 99791 to avoid being issued an unfavorable decision by Court of Appeals, because an injunction has already been issued by the trial court in SCA Case No. 673.[143]

This Court also finds merit in respondents' contention that in withdrawing CA G.R. SP No. 99791, petitioners Alliance and BMIS admitted the commonality of their interest with PIRA, the petitioner in SCA Case No. 673. This admission is expressly stated in the Board of Resolution No. 2007-02 filed in connection with the Motion for Withdrawal of CA G.R. SP No. 99791:

> WHEREAS, on July 23, 2007, Alliance and BMIS filed a case of *Certiorari* with prayer for the issuance of a Temporary Restraining Order (TRO) against the Secretary of the Department of Transportation and Communication, et al. before the Court of Appeals, Manila docketed as CA-G.R. No. 99791 to restrain respondents from implementing DOTC Department Order No. 2007-28 dated July 5, 2007;
>
> WHEREAS, on July 2007, the Philippine Insurers and Reinsurers Association (PIRA) also filed a case before the Regional Trial Court of Makati, Branch 145 against the same respondents to the case filed by Alliance and BMIS seeking the same relief, docketed as SCA Case No. 673;
>
> ***WHEREAS, a TRO has already been issued by the RTC of Makati while the case in the Court of Appeals is still to be heard and procedural problems may arise which may confuse the issues and might jeopardize the common interest of all who seeks the same relief***;
>
> WHEREAS, Alliance and BMIS realize the duplicity of the action it took and may pre-empt any decision of the Court of Appeals hence, it decided to withdraw the certiorari case before the Court of Appeals;
>
> NOW THEREFORE, be it resolved as it is hereby resolved that the certiorari case docketed as CA G.R. No. 99791 pending before the Court of Appeals be withdrawn for all legal intents and purposes.[144] (Emphasis supplied)

---

[143] *Rollo*, p. 402.

[144] *Id.* at 541.

Aside from these Petitions, petitioner MUNLI filed a Petition before the Court of Appeals docketed as CA G.R. No. 99992. On August 13, 2007, the Court of Appeals dismissed it for failure to exhaust administrative remedies.[145]

It is significant to note that petitioner MUNLI also admitted to the commonality of its interest with PIRA in SCA Case No. 673, in seeking to withdraw its petition docketed as CA G.R. SP No. 99992:

> 1. Various petitions were filed in RTC and Court of Appeals of similar issues and remedies invoked of different, which fact was served notice to the Honorable Court on 13 August 2007.
>
> 2. It was resolved during the meeting of the various petitioners that a single case be pursued instead and to give way for the case to proceed that which is pending before RTC Branch 145, Makati City docketed under SCA Case No. 673.
>
> 3. Abiding with the consensus had, henceforth, the withdrawal of this case is effected *in the interest of justice for all concerned similarly situated*.[146] (Emphasis supplied)

Thus, all petitioners in the instant case admitted to the commonality of their interests and similarity of the issues in their respective petitions in SCA Case No. 673.

It was only after the lifting of the injunction in the Makati Regional Trial Court in SCA Case No. 673, and the withdrawal of the Petitions in CA G.R. No. 99992 and CA G.R. No. 99791, that petitioners filed the precedent of the instant Petition before the Court of Appeals docketed as CA G.R. No. 104211 on July 7, 2008.

Petitioners cannot hide behind the seeming non-similarity of parties, considering they admitted to the commonality of interests and issues in SCA Case No. 673.

In *Grace Park International v. Eastwest Banking*,[147] this Court clarified that absolute identity is not crucial because the parties'

---

[145] *Id.* at 499-500.

[146] *Id.* at 539.

[147] 791 Phil. 570 (2016) [Per *J*. Bernabe, First Division].

shared identity of interests will suffice for determination of the existence of forum-shopping:

Anent the first requisite of forum shopping, "[t]here is identity of parties where the parties in both actions are the same, or there is privity between them, or they are successors-in-interest by title subsequent to the commencement of the action, litigating for the same thing and under the same title and in the same capacity. Absolute identity of parties is not required, shared identity of interest is sufficient to invoke the coverage of this principle. Thus, *it is enough that there is a community of interest between a party in the first case and a party in the second case even if the latter was not impleaded in the first case*."

With respect to the second and third requisites of forum shopping, "[h]ornbook is the rule that identity of causes of action does not mean absolute identity; otherwise, a party could easily escape the operation of res judicata by changing the form of the action or the relief sought. The test to determine whether the causes of action are identical is to ascertain whether the same evidence will sustain both actions, or whether there is an identity in the facts essential to the maintenance of the two actions. If the same facts or evidence would sustain both, the two actions are considered the same, and a judgment in the first case is a bar to the subsequent action. *Hence, a party cannot, by varying the form of action or adopting a different method of presenting his case, escape the operation of the principle that one and the same cause of action shall not be twice litigated between the same parties or their privies*. Among the several tests resorted to in ascertaining whether two suits relate to a single or common cause of action are: (1) whether the same evidence would support and sustain both the first and second causes of action; and (2) whether the defenses in one case may be used to substantiate the complaint in the other. Also fundamental is the test of determining whether the cause of action in the second case existed at the time of the filing of the first complaint."[148] (Citations omitted, emphasis supplied)

There is an identity of parties, and an established shared identity of interests. The petitions they filed and withdrawn have identical causes of action with the same reliefs that they filed in multiple *fora*.

[148] *Id.* at 578-579.

The judgments of the lower courts in SCA Case No. 673 and CA G.R. SP No. 99992 operate as either *litis pendentia* or *res judicata* depending on their status. Even if petitioners are not impleaded before SCA Case No. 673, they expressly recognized the commonality of their interests with the petitioners in SCA Case No. 673. Thus, its resolution bars the filing of the present Petition. Necessarily, all the requisites of forum-shopping are present.

Petitioners' act of successively filing at least four (4) Petitions in various *fora* is the very act of forum-shopping:

> Forum shopping consists of filing multiple suits involving the same parties for the same cause of action, either simultaneously or successively for the purpose of obtaining a favorable judgment. It exists when, as a result of an adverse opinion in one forum, a party seeks a favorable opinion in another, or when he institutes two or more actions or proceedings grounded on the same cause, on the gamble that one or the other court would make a favorable disposition. There certainly is all the opportunity to accomplish the wrong intended by forum-shopping through the filing of two petitions for review with a collegiate court such as the Court of Appeals, as each petition would be docketed separately and assigned to a division of that court, thus allowing two different divisions to act independently as each considers and treats the petition. Thus, no petition for review on *certiorari* may be filed in the Court of Appeals if there is already a similar petition already filed or pending with that same court.[149]

After trifling with court processes to secure a favourable judgment, petitioners have the audacity to invoke a non-fatal error committed by the Court of Appeals. The names of respondents were incorrectly placed in the caption of the Resolution denying petitioners' Motion for Reconsideration.[150] From this apparent error, petitioners conclude that the judgment is based on a misapprehension of facts, which this Court should correct.[151]

---

[149] *Mega-Land Resources and Development Corporation v. C-E Construction Corporation*, 555 Phil. 581, 590-591 (2007) [Per *J*. Tinga, Second Division].

[150] *Rollo*, pp. 61-62.

[151] *Id.* at 62.

In *Oasis Park Hotel v. Navaluna*,[152] the inclusion of the names of parties in the caption of a pleading is only a formal requirement. What is controlling are the allegations contained within:

> (c) The failure of petitioner to implead the complete names of all private respondents in the caption of the Petition did not warrant the dismissal of said Petition, especially when all the names and circumstances of the parties were stated in the body of the Petition, under "PARTIES. As the Court held in *Genato v. Viola*: "It is not the caption of the pleading but the allegations therein that are controlling. The inclusion of the *names of all the parties in the title of a complaint is a formal requirement under Section [1], Rule 7 of the Rules of Court*. However, the rules of pleadings require courts to pierce the form and go into the substance. The non-inclusion of one or some of the names of all the complainants in the title of a complaint, is not fatal to the case, provided there is a statement in the body of the complaint indicating that such complainant/s was/were made party to such action."[153] (Emphasis supplied, citation omitted)

This Court finds that the error within the title's caption in the Resolution dismissing petitioners' Motion for Reconsideration is not equivalent to misapprehension of facts. The body of the decision pertains to a May 24, 2012 Decision issued by the Court of Appeals in CA-G.R. SP No. 10421. If at all, the confusion was brought about by the multiple petitions filed by petitioners before the Court of Appeals.

Finally, the act of deliberate and wilful forum shopping warrants the summary dismissal with prejudice of the instant Petition and all other cases pending in lower courts, if any. By abusing court processes, forum shopping constitutes direct contempt of this Court:

> Thus, the CA did not commit an error in outrightly dismissing petitioner's petition. It must be remembered that the acts of a party or his counsel, clearly constituting willful and deliberate forum shopping shall be ground for the summary dismissal of the case with prejudice, and shall constitute direct contempt, as well as be a cause

[152] 800 Phil. 244 (2016) [Per *J*. Leonardo-de Castro, First Division].

[153] *Id.* at 261-262.

for administrative sanctions against the lawyer. Also, SC Circular No. 28-91 states that the deliberate filing of multiple complaints by any party and his counsel to obtain favorable action constitutes forum shopping and shall be a ground for summary dismissal thereof and shall constitute direct contempt of court, without prejudice to disciplinary proceeding against the counsel and the filing of a criminal action against the guilty party. In *Spouses Arevalo v. Planters Development Bank*, this Court further reiterated that once there is a finding of forum shopping, the penalty is summary dismissal not only of the petition pending before this Court, but also of the other case that is pending in a lower court.[154] (Citations omitted)

Thus, petitioners and their respective counsels, Atty. Raymundo L. Apuhin,[155] Atty. Larry M. Villabroza, and Atty. Maverick S. Sevilla, from the Law Firm of Villabroza and Associates,[156] and Atty. Marciano J. Cagatan,[157] should be ordered to show cause within 15 days from receipt of this Decision, why they should not be held in contempt for availing of multiple judicial remedies founded on similar facts, and raising substantially similar reliefs from different courts.

WHEREFORE, the Petition is **DENIED** for being **MOOT AND ACADEMIC** with the issuance of Department of Transportation Department Order No. 028-18 on August 24, 2018 which effectively superseded Department Order No. 2007-28.

Petitioners and their respective counsels, Atty. Raymundo L. Apuhin, Atty. Larry M. Villabroza, and Atty. Maverick S. Sevilla, from the Law Firm of Villabroza and Associates, and Atty. Marciano J. Cagatan, are directed to **SHOW CAUSE**, within 15 days from receipt of this Decision, why they should not be held in direct contempt for willful and deliberate forum shopping.

SO ORDERED.

Gesmundo, Carandang, Zalameda, and *Gaerlan, JJ.*, concur.

---

[154] *Zamora v. Quinan*, G.R. No. 216139, December 29, 2017, 847 SCRA 251, 264-265 [Per *J.* Peralta, Second Division].

[155] *Rollo*, pp. 3-5, Entry of Appearance dated March 25, 2013.

[156] *Id.* at 127 and 496.

[157] *Id.* at 442.

THIRD DIVISION

[G.R. No. 212262. August 26, 2020]

GOTESCO PROPERTIES, INC., *petitioner*, *vs.* **INTERNATIONAL EXCHANGE BANK (now UNION BANK OF THE PHILIPPINES)**, *respondent*.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; MOTION FOR RECONSIDERATION; AMONG THE REMEDIES AN AGGRIEVED PARTY MAY AVAIL OF AGAINST AN ADVERSE JUDGMENT OR FINAL ORDER; PURPOSE; WHEN GRANTED, THE DECISION OF THE COURT EMBODYING SUCH GRANT SUPERSEDES THE ORIGINAL JUDGMENT OR FINAL ORDER.—** A motion for reconsideration is among the remedies an aggrieved party may avail of against an adverse judgment or final order as provided for in Rule 37, Section 1 of the Rules of Court. x x x The purpose of a motion for reconsideration is for the moving party to point to purported errors in the assailed judgment or final order which that party views as unsupported by law or evidence. It "grant[s] an opportunity for the court to correct any actual or perceived error attributed to it by re-examination of the legal and factual circumstances of the case." Petitioner's position that the principle of *stare decisis* precluded the issuance of the August 18, 2011 Resolution contradicts the very reason why motions for reconsideration are allowed by the Rules of Court. An aggrieved party is permitted to question alleged errors in a judgment or final order, and should the court find merit in the moving party's arguments, then it is duty-bound to correct those errors. x x x When a motion for reconsideration is granted, the decision of the court embodying such grant supersedes the original judgment or final order.

2. **CIVIL LAW; EFFECT AND APPLICATION OF LAWS; PRINCIPLE OF *STARE DECISIS*; APPLIES ONLY TO FINAL DECISIONS OF THE SUPREME COURT; REQUIRES OUR COURTS TO FOLLOW A RULE ALREADY ESTABLISHED IN A FINAL DECISION OF**

THE SUPREME COURT.— [T]he principle of *stare decisis* applies only to final decisions of this Court, because only this Court may create judicial precedents that other courts should follow. In *De Mesa v. Pepsi Cola Products Phils., Inc.:* The principle of *stare decisis et non quieta movere* is entrenched in Article 8 of the Civil Code. x x x It enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of stare decisis is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.

3. **ID.; ID.; ID.; ID.; ID.; DECISIONS OF LOWER COURTS OR OTHER DIVISIONS OF THE SAME COURT ARE NOT BINDING ON OTHERS; NO GRAVE ABUSE IS COMMITTED WHEN A JUDGE SETS ASIDE AN EARLIER RULING RENDERED BY THE PREVIOUS JUDGE IN THE SAME TRIAL COURT BRANCH FOR THE SAME CASE, ESPECIALLY WHEN A REVERSIBLE ERROR HAS BEEN COMMITTED.—** "Decisions of lower courts or other divisions of the same court are not binding on others." No grave abuse of discretion is committed when a judge sets aside an earlier ruling rendered by the previous judge in the same trial court branch for the same case, especially when, as in this case, a reversible error had been committed.

4. **REMEDIAL LAW; CIVIL PROCEDURE; JUDGMENTS; EXECUTION OF JUDGMENT; ISSUANCE OF A WRIT OF EXECUTION OF A FINAL AND EXECUTORY JUDGMENT IS GENERALLY A COURT'S MINISTERIAL DUTY; EXCEPTIONS.—** The issuance of a writ of execution of a final and executory judgment is generally a court's ministerial duty. However, this is subject to certain exceptions. In *Chiquita Brands, Inc. v. Omelio:* x x x [T]he execution of a final judgment may be stayed or set aside in certain cases. "Courts have jurisdiction to entertain motions to quash previously issued writs of execution[.]" They "have the inherent power, for the advancement of justice, to correct the errors of their ministerial officers and to control their own processes." A writ of execution may be stayed or quashed when "facts and circumstances transpire" after judgment has been rendered that would make

"execution impossible or unjust." x x x Another exception is when the writ of execution alters or varies the judgment. A writ of execution derives its validity from the judgment it seeks to enforce. Hence, it should not "vary terms of the judgment . . . [or] go beyond its terms." Otherwise, the writ of execution is void. Courts can neither modify nor "impose terms different from the terms of a compromise agreement" that parties have entered in good faith. To do so would amount to grave abuse of discretion. Payment or satisfaction of the judgment debt also constitutes as a ground for the quashal of a writ of execution. In Sandico, Sr. v. Piguing, although the sum given by the debtors was less than the amount of the judgment debt, the creditors accepted the reduced amount as "full satisfaction of the money judgment." This justified the issuance of an order recalling the writ of execution. A writ of execution may also be set aside or quashed when it appears from the circumstances of the case that the writ "is defective in substance," "has been improvidently issued," issued without authority, or was "issued against the wrong party."

5. **CIVIL LAW; CONTRACTS; ACCELERATION CLAUSE; A PROVISION IN A CONTRACT WHEREIN, SHOULD THE DEBTOR DEFAULT, THE ENTIRE OBLIGATION SHALL BECOME DUE AND DEMANDABLE; CHOICES GIVEN TO CREDITORS BY ACCELERATION CLAUSES IN LOANS FOR A FIXED TERM; CASE AT BAR.—** Should petitioner fail to pay any amount when due, Section 1.7 of the Compromise Agreement allowed respondent to declare the entire obligation due and demandable. Furthermore, pursuant to Section 4.03 of the Compromise Agreement, respondent was given the right to move for the immediate execution of the total amount due. An examination of Sections 1.7 and 4.03 of the Compromise Agreement shows that they are in the nature of acceleration clauses. An acceleration clause is a provision in a contract wherein, should the debtor default, the entire obligation shall become due and demandable. This Court has held that acceleration clauses are valid and produce legal effect. Petitioner's claim that the loan only becomes due and demandable after 10 years is wrong. Even when there is a fixed term for the loan, the creditor may invoke the contract's acceleration clause should the debtor fail to comply with their obligation to pay the stipulated installments. x x x Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid

amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately. This right to choose is meaningless if the obligation is made demandable only when the term expires.

APPEARANCES OF COUNSEL

De Sagun Law Office for petitioner.
Divina Law for respondent.

D E C I S I O N

LEONEN, *J.*:

Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately. This right to choose is rendered meaningless if the loan is made demandable only when the term expires.

This resolves a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, assailing the Decision[2] and Resolution[3] of the Court of Appeals which found that the 14th Branch of the Regional Trial Court in Nasugbu, Batangas, did not gravely abuse its discretion in Civil Case No. 554 when it granted the motion for reconsideration filed by International Exchange Bank to its June 16, 2010 Order[4] and ordered the

[1] *Rollo*, pp. 10-24.

[2] *Id.* at 31-43. The February 10, 2014 Decision in CA-G.R. SP No. 129936 was penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Myra V. Garcia-Fernandez and Samuel H. Gaerlan (now a member of this Court) of the Special Second Division, Court of Appeals, Manila.

[3] *Id.* at 46-48. The April 22, 2014 Resolution in CA-G.R. SP No. 129936 was penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Myra V. Garcia-Fernandez and Samuel H. Gaerlan (now a member of this Court) of the former Special Second Division, Court of Appeals, Manila.

[4] *Id.* at 124-125.

execution of its December 14, 2001 Judgment[5] on the Compromise Agreement.

In 1996, Gotesco Properties, Inc. (Gotesco), as borrower, and International Exchange Bank (IBank), as lender, executed a Credit Agreement. As security, Gotesco executed a real estate mortgage over a 20,673-square-meter property covered by Transfer Certificate of Title No. T-70389. When Gotesco was unable to pay, IBank foreclosed the real estate mortgage and eventually bought the property.[6]

Gotesco filed a complaint for annulment of foreclosure sale and damages with the Batangas Regional Trial Court, alleging that IBank failed to comply with the posting and publication requirements of Act No. 3135. The case was docketed as Civil Case No. 554.[7]

Then, on September 27, 2001, Gotesco and IBank executed a Compromise Agreement where Gotesco's ₱256,740,000.00 loan was restructured. On December 14, 2001, the Regional Trial Court issued a Judgment[8] approving the Compromise Agreement.[9]

On October 27, 2009, IBank filed with the trial court a Motion for Execution.[10] It claimed that Gotesco failed to comply with the terms of the Compromise Agreement when it did not pay ₱619,179,627.01 as of February 5, 2009.[11] In a June 16, 2010 Order,[12] the Regional Trial Court, through Judge Wilfredo De Joya Mayor (Judge Mayor), denied the Motion for Execution

---

[5] *Id.* at 107-114.

[6] *Id.* at 32.

[7] *Id.*

[8] *Id.* at 107-114.

[9] *Id.* at 34.

[10] *Id.* at 115-122.

[11] *Id.* at 119.

[12] *Id.* at 124-125.

and found the action premature as the ten-year term loan in the Compromise Agreement, which started on March 31, 2003, would end in 2013.[13]

IBank filed a Motion for Reconsideration of the June 16, 2010 Order, which the Regional Trial Court granted in an August 18, 2011 Resolution issued by Judge Ernesto L. Marajas (Judge Marajas). The dispositive portion of the August 18, 2011 Resolution read:

> Wherefore the order issued by This Court dated June 16, 2010 is hereby set aside. Upon finality of this Resolution let a writ of execution be issued in order to implement the provisions of the Judgment dated December 14, 2001.
>
> SO ORDERED.[14]

The Regional Trial Court found that the Compromise Agreement provided for the entire loan to be demandable should Gotesco default in the payment of its quarterly amortizations. Gotesco's Motion for Reconsideration of the August 18, 2011 Resolution was denied in the trial court's March 5, 2013 Resolution.[15]

Hence, Gotesco filed a petition for *certiorari* with the Court of Appeals. On February 10, 2014, the Court of Appeals issued a Decision[16] denying the petition for *certiorari*. The dispositive portion of the February 10, 2014 Decision read:

> WHEREFORE, premises considered, the instant petition for *certiorari* is hereby DENIED and ordered DISMISSED.
>
> No costs.
>
> SO ORDERED.[17]

---

[13] *Id.* at 34.

[14] *Id.* at 32.

[15] *Id.* at 35.

[16] *Id.* at 31-43.

[17] *Id.* at 42.

The Court of Appeals held that the Regional Trial Court did not commit any grave abuse of discretion, amounting to lack or excess of jurisdiction, in granting IBank's Motion for Reconsideration and granting the Motion for Execution.[18] It found that the Compromise Agreement stated that Gotesco must pay back its loan to IBank in quarterly amortizations of ₱8,812,214.29.[19] Should Gotesco fail to pay any sum due to IBank within 60 days from due date, IBank was entitled to declare Gotesco's entire obligation due and demandable and move for the immediate execution of the judgment.[20]

According to the Court of Appeals, Gotesco never disputed IBank's claim that it had not been paying its obligations since 2006. Moreover, to interpret the Compromise Agreement such that Gotesco's obligation would only become due and demandable after 10 years would render the agreement's provisions useless.[21]

The Court of Appeals also pointed out that IBank's right to immediately move for execution upon Gotesco's nonpayment was a valid acceleration clause, supported by the fact that Gotesco voluntarily entered into the Compromise Agreement containing this provision. Thus, the Regional Trial Court did not err in granting IBank's Motion for Execution.[22]

Finally, the Court of Appeals rejected Gotesco's claim that IBank's Motion for Reconsideration and its subsequent grant by Judge Marajas was duplicitous. To the Court of Appeals, a motion for reconsideration's purpose was to convince a court that its ruling was erroneous and improper, and such a motion should not be considered *pro forma* if it shows a good faith

---

[18] *Id.* at 36-37.

[19] *Id.* at 37.

[20] *Id.* at 37-38.

[21] *Id.* at 38.

[22] *Id.* at 39.

attempt to present additional arguments for the court's consideration.[23]

The Court of Appeals denied Gotesco's Motion for Reconsideration in its April 22, 2014 Resolution.[24]

On June 11, 2014, Gotesco filed with this Court a Petition for Review on *Certiorari*[25] under Rule 45 of the Rules of Court, assailing the February 10, 2014 Decision and April 22, 2014 Resolution of the Court of Appeals.

In its Petition for Review on *Certiorari*, petitioner argues that the Regional Trial Court should not have granted respondent's Motion for Reconsideration due to *stare decisis*.[26] It claims that Judge Marajas should not have reversed Judge Mayor's ruling because respondent's case in its Motion for Reconsideration was identical with those arguments it raised in the Motion for Execution.[27] Since Judge Mayor's Order already ruled upon respondent's arguments, Judge Marajas should not have set his order aside on the basis of respondent's motion for reconsideration.[28]

Further, petitioner claims that its loan obligation under the Compromise Agreement was demandable only in 2013, upon the expiry of the ten-year term loan period.[29]

In accordance with this Court's August 13, 2014 Resolution,[30] respondent, now Union Bank of the Philippines (Union Bank), filed its Comment to the Petition for Review.

---

[23] *Id.* at 40-41.

[24] *Id.* at 46-48.

[25] *Id.* at 10-25.

[26] *Id.* at 18.

[27] *Id.* at 20.

[28] *Id.* at 22.

[29] *Id.* at 23.

[30] *Id.* at 296.

In its Comment, respondent claims that the Compromise Agreement clearly stated that should petitioner fail to pay its quarterly amortizations, respondent could move for the immediate execution of the entire loan. Since respondent had not received any payment from petitioner since 2006, it filed a motion for a writ of execution in 2009.[31]

Respondent also argues that its Motion for Reconsideration of the June 16, 2010 Order was not a mere rehash of its Motion for Execution. In its Motion for Reconsideration, it had argued that Judge Mayor, by finding petitioner's loan only payable after 10 years, had unlawfully altered the terms of the Compromise Agreement.[32] Moreover, the June 16, 2010 Order did not constitute *stare decisis* which bound Judge Marajas and prevented him from issuing a contrary resolution.[33]

On March 25, 2015,[34] this Court ordered petitioner to file its reply to respondent's Comment, which it did on June 23, 2015. In its Reply, petitioner reiterates its claim that under the Compromise Agreement, the loan was demandable only after 10 years. Petitioner avers that the immediate execution of the Compromise Agreement would be unjust and inequitable.[35] It also claims that Judge Marajas acted with grave abuse of discretion and disrespect by setting aside Judge Mayor's Order.[36]

On September 20, 2017, this Court gave due course to the Petition for Review and ordered the parties to submit their memoranda.[37] Petitioner filed its Memorandum on December

---

[31] *Id.* at 305-306.

[32] *Id.* at 308-309.

[33] *Id.* at 312-313.

[34] *Id.* at 320-A.

[35] *Id.* at 329.

[36] *Id.* at 330.

[37] *Id.* at 353.

14, 2017,[38] while respondent filed its Memorandum on January 1, 2018.[39]

In its Memorandum, petitioner argues that the Motion for Reconsideration of the June 16, 2010 Order should not have been granted for being a mere rehash of the earlier Motion for Execution.[40] Moreover, a plain reading of the Compromise Agreement would show that it would be premature to cause its immediate execution as it was for a ten-year period.[41]

In its Memorandum, respondent argues that the Regional Trial Court did not commit grave abuse of discretion in granting its Motion for Execution. First, it claims that despite the ten-year term of the loan, the Compromise Agreement required petitioner to pay respondent in quarterly amortizations. Because petitioner last made payment in 2006, respondent was entitled to move for the execution of the judgment on the Compromise Agreement.[42] Second, it posits that the reversal of the June 16, 2010 Order was within Judge Marajas' duty to review a prior ruling, especially in this case where the ruling was allegedly contrary to the terms of the Compromise Agreement.[43] Third, it claims that *stare decisis* was inapplicable in this case because the June 16, 2010 Order is not an issuance of the Supreme Court.[44] Finally, it argues that the petition for *certiorari* filed by petitioner before the Court of Appeals was erroneous since the issuance of a writ of execution did not involve any exercise of discretion.[45]

The issues to be resolved in this case are:

---

[38] *Id.* at 355.

[39] *Id.* at 378.

[40] *Id.* at 365.

[41] *Id.* at 366.

[42] *Id.* at 387.

[43] *Id.* at 388.

[44] *Id.* at 391.

[45] *Id.* at 392-395.

First, whether or not Judge Ernesto L. Marajas committed grave abuse of discretion amounting to lack or excess of jurisdiction when he issued his August 18, 2011 Resolution granting the motion for reconsideration of respondent International Exchange Bank, now Union Bank of the Philippines, and setting aside the June 16, 2010 Order of Judge Wilfredo De Joya Mayor; and

Second, whether or not respondent Union Bank of the Philippines has the right to cause the immediate execution of the December 14, 2001 Judgment on the Compromise Agreement upon petitioner Gotesco Properties, Inc.'s failure to pay its quarterly amortizations.

I

A motion for reconsideration is among the remedies an aggrieved party may avail of against an adverse judgment or final order as provided for in Rule 37, Section 1 of the Rules of Court:

> SECTION 1. *Grounds of and Period for Filing Motion for New Trial or Reconsideration*. — Within the period for taking an appeal, the aggrieved party may move the trial court to set aside the judgment or final order and grant a new trial for one or more of the following causes materially affecting the substantial rights of said party:
>
> (a) Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against and by reason of which such aggrieved party has probably been impaired in his rights; or
>
> (b) Newly discovered evidence, which he could not, with reasonable diligence, have discovered, and produced at the trial, and which if presented would probably alter the result.
>
> Within the same period, the aggrieved party may also move for reconsideration upon the grounds that the damages awarded are excessive, that the evidence is insufficient to justify the decision or final order, or that the decision or final order is contrary to law.

The purpose of a motion for reconsideration is for the moving party to point to purported errors in the assailed judgment or

final order which that party views as unsupported by law or evidence.[46] It "grant[s] an opportunity for the court to correct any actual or perceived error attributed to it by re-examination of the legal and factual circumstances of the case."[47]

Petitioner's position that the principle of *stare decisis* precluded the issuance of the August 18, 2011 Resolution contradicts the very reason why motions for reconsideration are allowed by the Rules of Court. An aggrieved party is permitted to question alleged errors in a judgment or final order, and should the court find merit in the moving party's arguments, then it is duty-bound to correct those errors. Rule 37, Section 3 of the Rules of Court states:

> SECTION 3. *Action Upon Motion for New Trial or Reconsideration.* — The trial court may set aside the judgment or final order and grant a new trial, upon such terms as may be just, or may deny the motion. If the court finds that excessive damages have been awarded or that the judgment or final order is contrary to the evidence or law, it may amend such judgment or final order accordingly.

When a motion for reconsideration is granted, the decision of the court embodying such grant supersedes the original judgment or final order.[48]

Moreover, the principle of *stare decisis* applies only to final decisions of this Court, because only this Court may create judicial precedents that other courts should follow. In *De Mesa v. Pepsi Cola Products Phils., Inc.*:[49]

> The principle of *stare decisis et non quieta movere* is entrenched in Article 8 of the Civil Code, to wit:

---

[46] *Siy v. Court of Appeals*, 223 Phil. 136 (1985) [Per *J*. Gutierrez, Jr., First Division].

[47] *Republic of the Philippines v. Bayao*, 710 Phil. 279, 287 (2013) [Per *J*. Leonen, Third Division].

[48] *City of Taguig v. City of Makati*, 787 Phil. 367 (2016) [Per *J*. Leonen, Second Division].

[49] 504 Phil. 685 (2005) [Per *J*. Quisumbing, First Division].

> ART. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal system of the Philippines.

> It enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of stare decisis is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.[50] (Emphasis in the original, citation omitted)

"Decisions of lower courts or other divisions of the same court are not binding on others."[51] No grave abuse of discretion is committed[52] when a judge sets aside an earlier ruling rendered by the previous judge in the same trial court branch for the same case, especially when, as in this case, a reversible error had been committed.

The issuance of a writ of execution of a final and executory judgment is generally a court's ministerial duty. However, this is subject to certain exceptions. In *Chiquita Brands, Inc. v. Omelio*:[53]

> Ordinarily, courts have the ministerial duty to grant the execution of a final judgment. The prevailing party may immediately move for execution of the judgment, and the issuance of the writ follows as a matter of course. Execution, being "the final stage of litigation . . . [cannot] be frustrated."

> Nevertheless, the execution of a final judgment may be stayed or set aside in certain cases. "Courts have jurisdiction to entertain motions to quash previously issued writs of execution[.]" They "have the inherent

[50] *Id.* at 685.

[51] *Yukit v. Tritran, Inc.*, 800 Phil. 210, 222 (2016) [Per *C.J.* Sereno, First Division].

[52] See *Quasha Ancheta Pena Nolasco Law Office v. Court of Appeals, Special Sixth Division*, 622 Phil. 738 (2009) [Per *J*. Chico-Nazario, Third Division].

[53] 810 Phil. 497 (2017) [Per *J*. Leonen, Second Division].

power, for the advancement of justice, to correct the errors of their ministerial officers and to control their own processes."

A writ of execution may be stayed or quashed when "facts and circumstances transpire" after judgment has been rendered that would make "execution impossible or unjust."

In *Lee v. De Guzman*, the trial court issued a writ of execution directing a car manufacturer to deliver a 1983 Toyota Corolla Liftback to a buyer. The manufacturer moved to quash the writ. Instead of ordering the manufacturer to deliver the car, this Court ordered the manufacturer to pay damages. The cessation of the manufacturer's business operations rendered compliance with the writ of execution impossible.

Another exception is when the writ of execution alters or varies the judgment. A writ of execution derives its validity from the judgment it seeks to enforce. Hence, it should not "vary terms of the judgment . . . [or] go beyond its terms." Otherwise, the writ of execution is void. Courts can neither modify nor "impose terms different from the terms of a compromise agreement" that parties have entered in good faith. To do so would amount to grave abuse of discretion.

Payment or satisfaction of the judgment debt also constitutes as a ground for the quashal of a writ of execution. In *Sandico, Sr. v. Piguing*, although the sum given by the debtors was less than the amount of the judgment debt, the creditors accepted the reduced amount as "full satisfaction of the money judgment." This justified the issuance of an order recalling the writ of execution.

A writ of execution may also be set aside or quashed when it appears from the circumstances of the case that the writ "is defective in substance," "has been improvidently issued," issued without authority, or was "issued against the wrong party."[54] (Citations omitted)

Respondent's Motion for Execution was initially denied on the basis of prematurity. According to Judge Mayor in his June 16, 2010 Order, the ten-year term loan in the Compromise Agreement started on March 31, 2003, and would only end in 2013:

---

[54] *Id.* at 532-534.

. . . Considering that the subject nature of the compromise agreement especially the amount loaned was restructured into a 10-year term loan. With the duration of the 10-year period as provided in the Compromise Agreement from March 31, 2003 and would end in the year 2013 which renders the motion to issue writ of execution premature. As clearly, the 10-year term loan ends in 2013 when the obligations shall have been fully settled and paid by the plaintiff. Hence, prior thereto, the motion for execution prayed for by the defendant is therefore considered premature.[55]

Concededly, the final whereas clause of the Compromise Agreement did state:

WHEREAS, the parties have decided to enter into a compromise agreement which would entail the re-structuring of the outstanding loan of Gotesco Properties, Inc. with iBank into a ten (10)-year term loan with the mortgage of real estate properties mentioned in Articles 2.1.3 and 2.1.4 hereof and the Real Estate Mortgage and the Surety Agreement mentioned in the First Whereas Clause as its security/ collateral.[56]

However, this clause must not be read in isolation, but should be reconciled, with the rest of the Compromise Agreement. Among the relevant portions are:

1.1. The parties hereby agree and stipulate that the outstanding balance of the loan that Gotesco availed under its Omnibus Line with iBank mentioned in the First Whereas Clause inclusive of interest at the compromise rate of 12% per annum from December 29, 1997 up to June 30, 2001 amounts to Two Hundred Fifty Six Million Seven Hundred Forty Thousand (Php256,740,000.00).

1.2. Simultaneously with the execution of this Agreement, Gotesco Properties Inc., shall make a partial payment to iBank in the amount of Ten Million Pesos.

1.3. The balance of the principal of its loan in the amount of Two Hundred Forty Six Million Seven Hundred Forty Thousand (Php246,740,000.00) shall be paid by Gotesco Properties Inc., to iBank in twenty-eight (28) equal quarterly amortization(s) of Eight

---

[55] *Rollo*, p. 309.

[56] *Id.* at 109-110.

Million Eight Hundred Twelve Thousand Two Hundred Fourteen (Php8,812,214.29) Pesos and 29/100 commencing on March 31, 2003 until full payment. Gotesco Properties Inc., shall execute and deliver a promissory note covering the aforesaid principal amount in form and substance acceptable to iBank dated July 1, 2001.

1.4. The loan (Php246,740,000.00) shall earn interest at the rate of twelve (12%) percent per annum, payable quarterly, the first quarterly payment to commence on October 1, 2001 and the next payment every quarter thereafter until full payment.

. . . .

1.6. A penalty at the rate of twelve (12%) per annum shall be imposed on any unpaid interest and/or principal amortization, from due date thereof, as the case may be, until full payment.

1.7. Should Gotesco Properties Inc., fail to pay any sum due under this Agreement and should it fail to settle or pay the same to iBank within sixty (60) days from the due date thereof, iBank may declare the entire obligation of Gotesco Properties Inc., under this Agreement as due and demandable and avail itself of the remedy provided hereunder and/or the law.[57]

. . . .

4.1. The parties shall submit this Compromise Agreement to the Regional Trial Court of Makati, Branch 150, and move that a judgment in Civil Case No. 99-168 be issued approving the said compromise and ordering:

4.02. The dismissal of the respective claims and counterclaims on the parties; and

4.03. That upon default by Gotesco Properties Inc., and its sureties in the payment of the sum due under the Compromise Agreement or in the performance of any of their obligation thereunder, iBank shall have the right to move for the immediate execution of the total sum due under the said Agreement after deducting the proceeds of the foreclosure sale of the mortgaged properties mentioned in Articles 2.1.1 and 2.1.3 hereof in the

[57] *Id.* at 110-111.

event iBank opts to institute a separate action for their foreclosure. . . .[58]

Under the terms of the Compromise Agreement, petitioner owed respondent an initial amount of ₱256,740,000.00, ₱10,000,000.00 of which was payable upon execution of the Compromise Agreement. The remaining balance of ₱246,740,000.00 was divided into 28 quarterly amortizations, payable starting March 31, 2003 until the balance was fully paid. The balance was likewise subject to a 12% per annum interest rate, also payable quarterly. Any unpaid interest or principal amortization was further subject to a 12% per annum penalty interest.

Should petitioner fail to pay any amount when due, Section 1.7 of the Compromise Agreement allowed respondent to declare the entire obligation due and demandable. Furthermore, pursuant to Section 4.03 of the Compromise Agreement, respondent was given the right to move for the immediate execution of the total amount due.

An examination of Sections 1.7 and 4.03 of the Compromise Agreement shows that they are in the nature of acceleration clauses. An acceleration clause is a provision in a contract wherein, should the debtor default, the entire obligation shall become due and demandable.[59] This Court has held that acceleration clauses are valid and produce legal effect.[60]

Petitioner's claim that the loan only becomes due and demandable after 10 years is wrong. Even when there is a fixed term for the loan, the creditor may invoke the contract's

---

[58] *Id.* at 113.

[59] See *Selegna Management and Development Corp. v. United Coconut Planters Bank*, 522 Phil. 671 (2006) [Per *C.J.* Panganiban, First Division].

[60] *Mendoza v. Court of Appeals*, 340 Phil. 634 (1997) [Per *J*. Panganiban, Third Division]; *Premier Development Bank v. Central Surety & Insurance Company, Inc.*, 598 Phil. 827 (2009) [Per *J*. Nachura, Third Division]; and *KT Construction Supply, Inc. v. Philippine Savings Bank*, 811 Phil. 626 (2017) [Per *J*. Mendoza, Second Division].

acceleration clause should the debtor fail to comply with their obligation to pay the stipulated installments. In *Spouses Ruiz v. Sheriff of Manila*:[61]

With respect to the first assigned error, the appellants lay stress [on] the following last two sentences of the provision of the mortgage contract quoted above, to wit:

> ". . . Failure to pay two successive monthly amortizations will cause this loan to be automatically due and payable in its entirety. Notwithstanding the foregoing, this loan shall not run for more than 5 years."

Interpreting the above stipulation, the appellants claim that despite the acceleration clause they had five years from January 18, 1961 within which to pay their mortgage debt because of the phrase "notwithstanding the foregoing" in the last sentence. Since the five-year period had not yet expired when the mortgage was foreclosed, said foreclosure, they point out, was premature.

The appellants' interpretation is totally without merit. To ascertain the meaning of the provision of the mortgage contract relied upon by the appellants, its entirety must be taken into account and not merely its last two sentences. A reading of the entire provision will readily show that while the appellants were allowed to amortize their loan at the rate of not less than ₱300.00 a month they were under obligation to liquidate the same within a period of not more than five (5) years from the date of the execution of the contract; but if they should fail to pay two successive monthly amortizations, then the entire loan would be due and payable. It is obvious that the phrase "notwithstanding the foregoing" does not refer to the acceleration clause but to the stipulation that the loan had to be "amortized at the rate of not less than ₱300.00, including interest on unpaid balance, at the rate of 8% per annum, said interest and capital amortization to be effected at the end of each month." There is nothing inconsistent between the acceleration clause and the last sentence. All that the parties meant is that while monthly amortizations could be as little as ₱300.00 the loan should anyway be paid within 5 years; and that failure to pay two successive amortizations would render the entire loan due and

---

[61] 145 Phil. 111 (1970) [Per *J*. Makalintal, *En Banc*].

payable. Consequently, default having been committed for twelve months, the foreclosure of the mortgage was not premature.[62]

Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately.[63] This right to choose is meaningless if the obligation is made demandable only when the term expires.

In this case, it is undisputed that petitioner had defaulted payment on its quarterly amortizations, with its last payment being made on June 2, 2006.[64] Petitioner has neither pleaded nor produced any evidence to the contrary. Because of petitioner's nonpayment, respondent invoked the acceleration clauses in the Compromise Agreement to declare petitioner's entire loan due and demandable, then exercised its right pursuant to Section 4.03 to move for the immediate execution of the Compromise Agreement. Thus, the Regional Trial Court correctly reversed its earlier ruling and granted respondent's Motion for Execution.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED**. The February 10, 2014 Decision and April 22, 2014 Resolution of the Court of Appeals in CA-G.R. SP No. 129936 are **AFFIRMED.**

SO ORDERED.

Gesmundo, Hernando,[*] *Carandang,* and *Zalameda, JJ.*, concur.

---

[62] *Id.* at 113-114.

[63] *Mendoza v. Court of Appeals*, 340 Phil. 634 (1997) [Per *J.* Panganiban, Third Division]; and *Fortune Homes, Inc. v. Court of Appeals*, 214 Phil. 369 (1984) [Per *J.* Aquino, Second Division].

[64] *Rollo*, p. 387.

[*] Designated additional Member per July 15, 2020 Raffle.

THIRD DIVISION

[G.R. No. 216597. August 26, 2020]

EMILIANA J. ESGUERRA, substituted by her Heirs, *petitioners*, *vs.* **SPOUSES TEOFILO IGNACIO and JULITA V. IGNACIO, SPOUSES RAUL GIRAY JAPSON and TEODORA ALIDO JAPSON, and ASIA CATHAY FINANCE AND LEASING CORPORATION,** *respondents*.

[G.R. No. 216668. August 26, 2020]

HEIRS OF REGINA PANGANIBAN represented by: DOMINADOR PANGANIBAN, JR., *petitioners*, *vs.* **JULITA IGNACIO,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; NATURE OF ACTION; DIFFERENCE BETWEEN AN ACTION FOR NULLITY OR CANCELLATION OF FREE PATENTS, AN ACTION FOR REVERSION, AND AN ACTION FOR RECONVEYANCE.—** In *Heirs of Kionisala v. Heirs of Dacut*, the Court distinguished between an action for nullity or cancellation of free patents, an action for reversion and an action for reconveyance, thus: An ordinary civil action for declaration of nullity of free patents and certificates of title is not the same as an action for reversion. The difference between them lies in the allegations as to the character of ownership of the realty whose title is sought to be nullified. In an action for reversion, the pertinent allegations in the complaint would admit State ownership of the disputed land. x x x On the other hand, ***a cause of action for declaration of nullity of free patent and certificate of title would require allegations of the plaintiff's ownership of the contested lot prior to the issuance of such free patent and certificate of title as well as the defendant's fraud or mistake; as the case may be, in successfully obtaining these documents of title over the parcel of land claimed by plaintiff***. x x x The real party in interest is not the State but the plaintiff

who alleges a pre-existing right of ownership over the parcel of land in question even before the grant of title to the defendant. x x x With respect to the purported cause of action for reconveyance, it is settled that in this kind of action the free patent and the certificate of title are respected as incontrovertible. What is sought instead is the transfer of the property, in this case the title thereof, which has been wrongfully or erroneously registered in the defendant's name. All that must be alleged in the complaint are two (2) facts which admitting them to be true would entitle the plaintiff to recover title to the disputed land, namely, (1) that the plaintiff was the owner of the land and, (2) that the defendant had illegally dispossessed him of the same.

2. **REMEDIAL LAW; EVIDENCE; BURDEN OF PROOF; IN ALL CIVIL LITIGATIONS, THE BURDEN OF PROOF LIES IN THE PARTY WHO ASSERTS, NOT IN THE PARTY WHO DENIED BECAUSE THE LATTER, BY THE NATURE OF THINGS, CANNOT PRODUCE ANY PROOF OF THE ASSERTION DENIED; PARTY MAKING AN ALLEGATION HAS THE BURDEN OF PROVING THE ALLEGATION BY PREPONDERANCE OF EVIDENCE; CASE AT BAR.—** There are constant truisms in civil litigations. In *Spouses Pamplona v. Spouses Cueto*, the Court explains these propositions, thus: At the start, the Court reiterates the general proposition that is true in all civil litigations that the burden of proof lies in the party who asserts, not in the party who denies because the latter, by the nature of things, cannot produce any proof of the assertion denied. Equally true is the dictum that mere allegations cannot take the place of evidence. The party making an allegation in a civil case has the burden of proving the allegation by preponderance of evidence. In this connection, preponderance of evidence is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term "greater weight of evidence" or "greater weight of credible evidence." Here, petitioners were able to discharge their respective *onus probandi* by sufficient evidence.

3. **ID.; ID.; CREDIBILITY; FACTUAL FINDINGS OF THE TRIAL COURT WILL NOT BE DISTURBED ON APPEAL UNLESS THE COURT HAS OVERLOOKED OR IGNORED SOME FACT OR CIRCUMSTANCE OF SUFFICIENT WEIGHT OR SIGNIFICANCE, WHICH, IF**

CONSIDERED, WOULD ALTER THE RESULT OF THE CASE; CASE AT BAR.— In ruling for Esguerra, the RTC ruled that: Against the overwhelming evidence against them, defendants were not able to marshall any proof to the contrary. In fact, Julita Ignacio testified that while she admitted to have filed the Free Patent application, she did not submit any document to prove substantial compliance with the requirements of the Free Patent. They did not attend the hearings of the application, neither was she aware of the requirements of the Free Patent. She admitted to having first possessed the subject property when she applied for Free Patent in 1993. x x x As the Free Patent application was marred by fraud and misrepresentation voiced out by the DENR personnel themselves, it is incumbent to annul OCT No. P-2142 and its derivative titles TCT Nos. T-152003 and T-152004 both registered in the name of Julita Ignacio and consequently a partition/relocation should be undertaken to determine the metes and bounds of the 877 square meters of land of the plaintiff encroached by the defendants spouses Ignacio in Lot No. 1788 Cad. 345. As regards the Complaint-in-Intervention, the RTC found that the property was equally divided between Regina Panganiban and Marciana Reyes and that the latter's share was transferred to Julita Ignacio. The trial court noted that the error or fraud here was that instead of covering only half of the property corresponding to the share of Marciana Reyes in the application, it covered the entire property including the share of Regina Panganiban. The trial court did not rule on the validity of the transfer from Marciana Reyes to Julita Ignacio since the said transaction was not questioned. Lastly, the RTC found no evidence showing that Regina Panganiban sold her interest in the property in favor of Julita Ignacio as Felisa Panganiban had no right to convey the property or any interest thereto; on the contrary, Julita's evidence acknowledged the one-half (1/2) interest of Regina Panganiban over the property. The Court sustains these factual findings. It must be remembered that factual findings of the trial court will not be disturbed on appeal unless the court has overlooked or ignored some fact or circumstance of sufficient weight or significance, which, if considered, would alter the result of the case. Here, there are no circumstances to warrant the reversal of the trial court's factual findings.

APPEARANCES OF COUNSEL

CG & G Law Firm for petitioners in G.R. No. 216668.
Bernabe-Tongo Law Office for petitioners in G.R. No. 216597.
Oscar G. Serrano for respondents in G.R. No. 216597.

D E C I S I O N

GESMUNDO, *J.*:

By these consolidated appeals by *certiorari*, petitioners assail the Decision[1] and Resolution[2] promulgated on September 24, 2014 and January 5, 2015, respectively, by the Honorable Court of Appeals *(CA)* in CA-G.R. CV No. 98910, whereby the appellate court reversed and set aside the February 23, 2012 Decision[3] of the Regional Trial Court, City of Malolos, Bulacan, Branch 19 *(RTC)* in Civil Case No. 64-M-2004 and ordered the dismissal of the complaint for Cancellation of Titles, Declaration of Ownership, Reconveyance and Damages.

The Antecedents

The CA summarized the factual and procedural milieu of the case, thus:

> On 29 January 2004, plaintiff-appellee filed a complaint for Cancellation of Titles, Declaration of Ownership, Reconveyance and Damages against defendants-appellants. She claimed that an 877 sq.m. portion of her 2,988 sq.m. parcel of land that is part of Lot 1347 of Pulilan Cadastre located at Dampol 1st, Pulilan, Bulacan was mistakenly encompassed in Lot 1788 covered by OCT No. P-2142 which is a free patent title issued in the name of defendants-appellants.
>
> Plaintiff-appellee alleged that she inherited the land from her uncle, Macario Cruz, sometime in 1970. This property is adjacent to Lot

---

[1] *Rollo* (G.R. No. 216668), pp. 56-66; penned by Associate Justice Manuel M. Barrios with Associate Justices Normandie B. Pizarro (retired) and Pedro B. Corales, concurring.

[2] *Id.* at 75-77.

[3] *Id.* at 18-53; penned by Presiding Judge Renato C. Francisco.

1788 Cad. 345 Pulilan Cadastre that is owned in common by Marciana Reyes, Ursula Reyes and Regina Panganiban, and the lots are segregated by trees and hedges that serve as a common fence. On 25 February 1976, plaintiff-appellee sold a 187.5 sq.m. portion of her property to Arturo Eusebio which he uses as a right of way up to the present.

Sometime in the 1990s, plaintiff-appellee learned that Lot 1788 was sold to defendants-appellants. Spouses Ignacio who immediately applied for and obtained a free patent title OCT No. P-2142, for a parcel of land covering an area of 7,388 sq.m. However, in 1995, she discovered that a portion of her property and the right of way that was sold to Eusebio were encompassed by the lot of defendants-appellants Spouses Ignacio. Consequently, in May 1996, plaintiff-appellee and Eusebio filed a protest before the Department of Environment and Natural Resources (DENR) contesting the issuance of OCT No. P-2142 to Spouses Ignacio. A survey was conducted by Engr. Librado R. Gellez which confirmed that indeed, a portion of plaintiff-appellee's property, including Eusebio's right of way, were mistakenly encompassed in the property covered by OCT No. P-2142. The DENR then wrote a letter dated 11 August 1998 to the Office of the Solicitor General (OSG) recommending the cancellation of OCT No. P-2142, but no action was taken by the OSG. After following up the matter with DENR in August 2003, plaintiff-appellee was advised to file an action for cancellation of title by herself. She first sought barangay conciliation before the Lupon, but it was not successful. On 21 November 2003, plaintiff-appellee's son (Cenon Esguerra) went to the Register of Deeds of Bulacan to register a Notice of *Lis Pendens*. He discovered that OCT No. P-2142 has already been cancelled and subdivided into two (2) sublots, namely: a). TCT No. T-152003 which was mortgaged with Asia-Cathay Finance Leasing Corporation on 11 April 2002, and b). TCT No. T-152004 which was sold to Sps. Japson on 05 September 2003 and thus, replaced with TCT No. T-181601. Plaintiff-appellee eventually filed the instant action of Cancellation of Titles, Declaration of Ownership, Reconveyance, and Damages with respect to the 877 sq.m. portion that she was claiming.

After learning of the filing of this action, the heirs of Regina Panganiban designated in her Last Will and Testament filed a Complaint-in-Intervention against defendants-appellants Ignacio claiming that the latter applied for and acquired the land covered by OCT No. P-2142 through fraud. They alleged that defendants-appellants Ignacio used a forged Deed of Absolute Sale dated 15 February 1994

in their favor. This is evidently a falsified document because Regina died on 10 March 1982. The heirs of Regina thus joined plaintiff-appellee in the action for cancellation of OCT No. P-2142 and its derivative titles and prayed for the reconveyance of the shares of Regina.

On the other hand, defendants-appellants Sps. Ignacio contended that plaintiff-appellee could not have been an heir of Macario Cruz because the latter had several children; and in fact, had no will at all. Moreover, a mere tax declaration cannot convincingly prove his ownership. During her testimony, however, it was admitted that there is an existing right of way that is being used by Eusebio, and that there are mango trees that apparently served as boundaries of the adjacent properties.

On account of the Complaint-in-Intervention, defendants-appellants filed a Third-Party Complaint against the Heirs of Regina, who are also the Heirs of Felisa Panganiban from whom they bought Lot 1788. It is claimed that the aforementioned property was owned by Marciana Reyes to the extent of one-half, and the other half was owned by Ursula Reyes and Regina Panganiban. When Ursula died, the heirs sold this half share to Regina; thus, Regina's interest is only one-half. According to defendants-appellants, it was intervenor-appellee Dominador Panganiban, Jr. (Regina's nephew), his son and third party defendant-appellee Luisito Panganiban, and Felisa (Regina's sister) who offered to sell Regina's half share to them and represented that they had authority to do so. Felisa then executed a *Pagpapatunay* dated 12 November 1993 attesting to the transfer of Regina's share to spouses Ignacio for a consideration of Three Hundred Seventy Thousand Pesos (₱370,000.00). Thereafter, an Assignment of Rights, Interest and Participation dated 10 May 1994 was executed between defendants-appellants, Felisa and all the heirs of Marciana Reyes. Similarly, the Heirs of Marciana Reyes also sold their half share and executed a *Kasunduan sa Pagbili ng Lupa na may Paunang Bayad* with defendants-appellants on 05 February 1994 for a consideration of Five Hundred Sixty Nine Thousand Pesos (₱569,000.00).

Defendants-appellants claimed good faith and non-participation in the processing of their title because it was Dominador, Luisito and Felisa who arranged and processed the issuance of the free patent title in their (Spouses Ignacio) behalf. They only paid Felisa the consideration for the sale of the property. Be that as it may, defendants-appellants Ignacio aver that even after the sale and issuance of OCT No. P-2142, intervenors-appellees have never questioned the transaction and the consequent ownership of defendants-appellants over the

property until plaintiff-appellee, who is a relative of intervenors-appellees, filed her complaint for cancellation of title and recovery of ownership.[4]

Judgment of the RTC

After trial, the RTC ruled in favor of Esguerra and heirs of Regina Panganiban. In doing so, the RTC found that there was, indeed, a mistake in the application of the free patent as it included an 877-sq.m. portion of Lot 1347 which was owned by Esguerra. Even the DENR admitted that the free patent inadvertently encroached on Lot 1347 to the extent Esguerra claimed. On this basis, the RTC declared OCT No. P-2142, together with the derivative titles, as null and void.

Further, the trial court noted that the non-encroaching portions of OCT No. P-2142 are owned in common by the heirs of Regina Panganiban and Spouses Ignacio being the successors-in-interest of Regina Panganiban and Marciana Reyes. The dispositive portion reads:

WHEREFORE, judgment is hereby rendered as follows:

1. The Free Patent awarded to the defendants Spouses Ignacio is hereby ordered annulled and voided;
2. OCT No. P-2142 issued in the name of defendants Spouses Teofila Ignacio and Julita Ignacio and its derivative titles Nos. 152003 and 152004 (admitted by Julita Ignacio to have been sold/mortgaged but reconveyed to them) and any such derivative titles are declared null and void;
3. Ordering the segregation to the extent of 877 square meters from Lot No. 1788-Cad 345 Pulilan Cadastre adjacent to Lot 1347 rightfully and legally owned by plaintiff and Arturo Eusebio as successor-in-interest on the road right of way;
4. After segregation of 877 square meters, ordering the partition of Lot No. 1788 Cad 345 Pulilan Cadastre into two: One half (1/2) share in favor of the heirs of Regina Panganiban and the other one half (1/2) share of defendants Spouses Ignacio as successors-in-interest of Marciana Reyes;

---

[4] *Id.* at 58-61.

5. Ordering the defendants Spouses Ignacio to pay plaintiff the sum of ₱50,000.00 as and by way of Attorney's fees;

6. Ordering defendants Spouses Ignacio to pay the intervenors the sum of ₱50,000.00 as and by way of Attorney's fees;

7. Ordering defendants Spouses Ignacio to pay costs of suit.

All other claims of plaintiff and intervenors as well as the third-party complaint, counterclaims of defendants Spouses to the complaint and complaint in-intervention are all dismissed for lack of legal and factual basis.

SO ORDERED.[5]

Aggrieved, Spouses Ignacio appealed the RTC decision before the CA.

Judgment of the CA

As stated, the CA reversed the decision of the trial court and ordered the dismissal of the complaint and the Complaint-in-Intervention. The CA ruled that both Esguerra and the heirs of Regina Panganiban have no legal interest and no cause of action in the suit because the action is one of reversion that only the Office of the Solicitor General *(OSG)* can commence. In concluding that the suit is one for reversion, the appellate court pointed out that prior to 1978, the said property was public land. As such, it is only the government which could impugn the validity of the State's grant. The *fallo* reads:

WHEREFORE, foregoing considered, the appeal is **GRANTED** in part. Except for the dismissal of the other claims of plaintiff and intervenors as well as the Third-Party Complaint and counterclaims of defendants Spouses Ignacio to the Complaint and Complaint-in-Intervention, the dispositions (Items 1 to 7, inclusive) in the appealed Decision dated 23 February 2012 of the Regional Trial Court, Branch 19, Bulacan are **REVERSED** and **SET ASIDE**, and another judgment is rendered dismissing the Amended Complaint and Complaint-in-Intervention.

SO ORDERED.[6]

---

[5] *Id.* at 52-53.

[6] *Id.* at 65.

The subsequent Motions for Reconsideration of Esguerra and the heirs of Regina Panganiban were also denied by the CA. Hence, this recourse.

The Petitions

Petitioner Esguerra raises the sole issue of:

WHETHER THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT REVERSED THE DECISION OF THE RTC BRANCH 19, AND RULED THAT THIS CASE IS AN ACTION FOR REVERSION.[7]

For their part, the heirs of Regina Panganiban assigned their sole error, thus:

REVERSIBLE ERRORS WERE COMMITTED BY THE COURT OF APPEALS WHEN IT REVERSED AND SET ASIDE THE DECISION OF THE TRIAL COURT, AND ENTER ANOTHER JUDGMENT DISMISSING THE AMENDED COMPLAINT AND COMPLAINT IN INTERVENTION, REASONING OUT THAT THE PROPERTY IS A PART OF A PUBLIC DOMAIN BEFORE THE ISSUANCE OF RESPONDENT'S PATENTED OCT NO. P-2142, AND IT IS A CASE OF REVERSION NOT RECONVEYANCE, AND THAT IT SHOULD BE THE STATE NOT THE PETITIONERS WHO SHALL INSTITUTE THE ACTION THROUGH THE OSG.[8]

The petitioners are in unison in arguing that the CA erred in ruling that they do not have the legal standing in pursuing the instant suit. They claim that the instant case is not one of reversion but merely a case of cancellation of free patents which they, as aggrieved private individuals, may commence citing *Tancuntian v. Gempesaw*.[9] Here, they claim that they have clearly established their ownership prior to the application and grant of the free patent in favor of Julita Ignacio. As such, the

---

[7] *Rollo* (G.R. No. 216597), p. 20.

[8] *Rollo* (G.R. No. 216668), pp. 6-7.

[9] 483 Phil. 459 (2004).

proper remedy is not reversion but rather the cancellation of the free patent.

In response, Spouses Ignacio argue that the action is one of reversion since the land was originally a public land granted in favor of a private individual. Thus, any question as to the validity of the transfer should be an issue between the grantor and the grantee. Also, they argue that the free patent was validly granted to them considering the *Pagpapatunay* signed by Felisa Panganiban, one of the heirs of Regina Panganiban. Lastly, even assuming that the petitioners have a cause of action against them, Spouses Ignacio claim the same had already prescribed as 10 years had passed since its transfer from Felisa Panganiban to them. As such, they pray that the decision of the CA be affirmed.

Ruling of the Court

The petitions are meritorious.

The appellate court ruled that this is a case of reversion of property. The Court disagrees.

In *Heirs of Kionisala v. Heirs of Dacut*,[10] the Court distinguished between an action for nullity or cancellation of free patents, an action for reversion and an action for reconveyance, thus:

> An ordinary civil action for declaration of nullity of free patents and certificates of title is not the same as an action for reversion. The difference between them lies in the allegations as to the character of ownership of the realty whose title is sought to be nullified. In an action for reversion, the pertinent allegations in the complaint would admit State ownership of the disputed land. Hence in *Gabila v. Barriga* where the plaintiff in his complaint admits that he has no right to demand the cancellation or amendment of the defendant's title because even if the title were canceled or amended the ownership of the land embraced therein or of the portion affected by the amendment would revert to the public domain, we ruled that the action was for

[10] 428 Phil. 249 (2002).

reversion and that the only person or entity entitled to relief would be the Director of Lands.

On the other hand, ***a cause of action for declaration of nullity of free patent and certificate of title would require allegations of the plaintiff's ownership of the contested lot prior to the issuance of such free patent and certificate of title as well as the defendant's fraud or mistake; as the case may be, in successfully obtaining these documents of title over the parcel of land claimed by plaintiff***. In such a case, the nullity arises strictly not from the fraud or deceit but from the fact that the land is beyond the jurisdiction of the Bureau of Lands to bestow and whatever patent or certificate of title obtained therefor is consequently void *ab initio*. The real party in interest is not the State but the plaintiff who alleges a pre-existing right of ownership over the parcel of land in question even before the grant of title to the defendant. In *Heirs of Marciano Nagano v. Court of Appeals* we ruled —

> x x x from the allegations in the complaint x x x private respondents claim ownership of the 2,250 square meter portion for having possessed it in the concept of an owner, openly, peacefully, publicly, continuously and adversely since 1920. This claim is an assertion that the lot is private land. x x x Consequently, merely on the basis of the allegations in the complaint, the lot in question is apparently beyond the jurisdiction of the Director of the Bureau of Lands and could not be the subject of a Free Patent. Hence, the dismissal of private respondents' complaint was premature and trial on the merits should have been conducted to thresh out evidentiary matters. It would have been entirely different if the action were clearly for reversion, in which case, it would have to be instituted by the Solicitor General pursuant to Section 101 of C.A. No. 141 x x x

It is obvious that private respondents allege in their complaint all the facts necessary to seek the nullification of the free patents as well as the certificates of title covering Lot 1015 and Lot 1017. Clearly, they are the real parties in interest in light of their allegations that they have always been the owners and possessors of the two (2) parcels of land even prior to the issuance of the documents of title in petitioners' favor, hence the latter could only have committed fraud in securing them —

> x x x That plaintiffs are absolute and exclusive owners and in actual possession and cultivation of two parcels of agricultural lands herein particularly described as follows [technical description of Lot 1017 and Lot 1015] x x x 3. That plaintiffs became absolute and exclusive owners of the abovesaid parcels of land by virtue of inheritance from their late father, Honorio Dacut, who in turn acquired the same from a certain Blasito Yacapin and from then on was in possession thereof exclusively, adversely and in the concept of owner for more than thirty (30) years x x x 4. That recently, plaintiff discovered that defendants, without the knowledge and consent of the former, fraudulently applied for patent the said parcels of land and as a result thereof certificates of titles had been issued to them as evidenced by certificate of title No. P-19819 in the name of the Hrs. of Ambrocio Kionisala, and No. P-20229 in the name of Isabel Kionisala x x x 5. That the patents issued to defendants are null and void, the same having been issued fraudulently, defendants not having been and/or in actual possession of the litigated properties and the statement they may have made in their application are false and without basis in fact, and, the Department of Environment and Natural Resources not having any jurisdiction on the properties the same not being anymore public but already private property x x x

It is not essential for private respondents to specifically state in the complaint the actual date when they became owners and possessors of Lot 1015 and Lot 1017. The allegations to the effect that they were so preceding the issuance of the free patents and the certificates of title, *i.e.*, "the Department of Environment and Natural Resources not having any jurisdiction on the properties the same not being anymore public but already private property," are unquestionably adequate as a matter of pleading to oust the State of jurisdiction to grant the lots in question to petitioners. If at all, the oversight in not alleging the actual date when private respondents' ownership thereof accrued reflects a mere deficiency in details which does not amount to a failure to state a cause of action. The remedy for such deficiency would not be a motion to dismiss but a motion for bill of particulars so as to enable the filing of appropriate responsive pleadings.

With respect to the purported cause of action for reconveyance, it is settled that in this kind of action the free patent and the certificate of title are respected as incontrovertible. What is sought instead is

the transfer of the property, in this case the title thereof, which has been wrongfully or erroneously registered in the defendant's name. All that must be alleged in the complaint are two (2) facts which admitting them to be true would entitle the plaintiff to recover title to the disputed land, namely, (1) that the plaintiff was the owner of the land and, (2) that the defendant had illegally dispossessed him of the same.[11] (emphasis supplied; citations omitted)

Following the rules laid down above, an examination of the allegations in the complaint and the Complaint-in-Intervention would reveal that the action is one for nullity or cancellation of free patents rather than reversion.

The petition alleges that Esguerra, particularly Emiliana, inherited 2,988 sq.m. from the owner Macario Cruz; in 1976, she sold 187.5 sq.m. of her 2,988 sq.m. in favor of Arturo Eusebio who used the same as right of way to the barangay road; in the early 1990's, the adjacent lot co-owned by Marciana Reyes, Ursula Reyes and Regina Panganiban was sold to Julieta Ignacio who used the same in her application for free patent and the issuance of OCT No. P-2142; in 1995, they discovered that OCT No. P-2142 encroached a total of 877 sq.m. including the 187.5 sq.m. of Arturo Eusebio; and despite adopting measures to protect their interest, these remedies proved to be futile.

On the other hand, the Complaint-in-Intervention alleges that Regina Panganiban co-owns a property with Marciana Reyes and Ursula Reyes by virtue of succession; the property was denominated as Lot 1788, Cad-345, Pulilan Cadastre; the property was titled in favor of Julita Ignacio through a free patent; the free patent was secured through fraud because Julita Ignacio used two (2) falsified Deeds of Sale, one with Regina Panganiban and another with Marciana Reyes; and they are joining petitioner Esguerra in the suit in so far as that portion of Lot 1788, Cad-345 of Pulilan Cadastre is concerned.

Here, both initiatory pleadings allege prior ownership of Emiliana Esguerra and the heirs of Regina Panganiban; how the property of Emiliana was alleged to been mistakenly included

---

[11] *Id.* at 260-262.

in the free patent; and how Julita Ignacio fraudulently secured the free patent to the prejudice of the heirs of Regina Panganiban. Neither initiatory pleading admits State ownership of the property.

Hence, the CA was incorrect in concluding that the suit is one of reversion when the allegations clearly make up a case for nullity or cancellation of free patents. The CA's reversal of the RTC decision on procedural grounds, therefore, should not be sustained.

While the consolidated petitions limited their discussions to the procedural aspect of the case, respondents' comment defended their ownership of the entire property covered by OCT No. P-2142. Thus, the Court can still rule on the correctness of the RTC's judgment and a review of the records compels this Court to affirm the RTC's decision.

There are constant truisms in civil litigations. In *Spouses Pamplona v. Spouses Cueto*,[12] the Court explains these propositions, thus:

> At the start, the Court reiterates the general proposition that is true in all civil litigations that the burden of proof lies in the party who asserts, not in the party who denies because the latter, by the nature of things, cannot produce any proof of the assertion denied. Equally true is the dictum that mere allegations cannot take the place of evidence. The party making an allegation in a civil case has the burden of proving the allegation by preponderance of evidence. In this connection, preponderance of evidence is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term "greater weight of evidence" or "greater weight of credible evidence."[13]

Here, petitioners were able to discharge their respective *onus probandi* by sufficient evidence. In ruling for Esguerra, the RTC ruled that:

---

[12] G.R. No. 204735, February 19, 2018, 856 SCRA 33.

[13] *Id.* at 48-49.

Against the overwhelming evidence against them, defendants were not able to marshall any proof to the contrary. In fact, Julita Ignacio testified that while she admitted to have filed the Free Patent application, she did not submit any document to prove substantial compliance with the requirements of the Free Patent. They did not attend the hearings of the application, neither was she aware of the requirements of the Free Patent. She admitted to having first possessed the subject property when she applied for Free Patent in 1993.

With the introduction of the evidence which even the Department of Environment & Natural Resources recommended the exclusion of the land area of Emiliana Esguerra, coupled with the defendants' admissions in Court that she never submitted any documents nor participated in the proceedings of the Free Patent application and testimony of Arturo Eusebio, it behooves the Court to grant relief to the plaintiff and exclude from OCT No. P-2142 the land area of 877 square meters of the plaintiff. As the Free Patent application was marred by fraud and misrepresentation voiced out by the DENR personnel themselves, it is incumbent to annul OCT No. P-2142 and its derivative titles TCT Nos. T-152003 and T-152004 both registered in the name of Julita Ignacio and consequently a partition/relocation should be undertaken to determine the metes and bounds of the 877 square meters of land of the plaintiff encroached by the defendants spouses Ignacio in Lot No. 1788 Cad. 345.[14]

As regards the Complaint-in-Intervention, the RTC found that the property was equally divided between Regina Panganiban and Marciana Reyes and that the latter's share was transferred to Julita Ignacio. The trial court noted that the error or fraud here was that instead of covering only half of the property corresponding to the share of Marciana Reyes in the application, it covered the entire property including the share of Regina Panganiban. The trial court did not rule on the validity of the transfer from Marciana Reyes to Julita Ignacio since the said transaction was not questioned. Lastly, the RTC found no evidence showing that Regina Panganiban sold her interest in the property in favor of Julita Ignacio as Felisa Panganiban had no right to convey the property or any interest thereto; on

[14] *Rollo* (G.R. No. 216668), p. 45.

the contrary, Julita's evidence acknowledged the one-half (½) interest of Regina Panganiban over the property.

The Court sustains these factual findings. It must be remembered that factual findings of the trial court will not be disturbed on appeal unless the court has overlooked or ignored some fact or circumstance of sufficient weight or significance, which, if considered, would alter the result of the case.[15] Here, there are no circumstances to warrant the reversal of the trial court's factual findings.

WHEREFORE, the Court **GRANTS** the petitions; **REVERSES** and **SETS ASIDE** the Decision and Resolution promulgated on September 24, 2014 and January 5, 2015, respectively, of the Court of Appeals in CA-G.R. CV No. 98910; and **REINSTATES** the Decision dated February 23, 2012 of the Regional Trial Court, City of Malolos, Bulacan, Branch 19, in Civil Case No. 64-M-2004.

SO ORDERED.

Leonen (Chairperson), Carandang, Zalameda, and *Gaerlan, JJ.*, concur.

THIRD DIVISION

[G.R. No. 219116. August 26, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee*, *vs.* **RAYMARK DAGUMAN *y* ASIERTO, *alias* "MARK",** *accused-appellant*.

SYLLABUS

1. CRIMINAL LAW; ROBBERY WITH HOMICIDE; ELEMENTS OF.— The special complex crime of robbery

---

[15] *Sumbad v. Court of Appeals*, 368 Phil. 52, 66 (1999).

with homicide is punishable under Article 294(1) of the Revised Penal Code . . .

> The elements of robbery with homicide are: "(l) the taking of personal property with violence or intimidation against persons; (2) the property taken belongs to another; (3) the taking was done with *animo lucrandi*; and (4) on the occasion of the robbery or by reason thereof, homicide was committed."

2. ID.; ID.; THE INTENT TO COMMIT ROBBERY MUST PRECEDE THE TAKING OF HUMAN LIFE, AND THE HOMICIDE MAY TAKE PLACE BEFORE, DURING OR AFTER THE ROBBERY.— *People v. De Jesus* explains what is meant by "when by reason or occasion of the robbery, the crime of homicide shall have been committed" in Article 294(1) of the Revised Penal Code:

> In robbery with homicide, the original criminal design of the malefactor is to commit robbery, with homicide perpetrated on the occasion or by reason of the robbery. The intent to commit robbery must precede the taking of human life. The homicide may take place before, during or after the robbery. It is only the result obtained, without reference or distinction as to the circumstances, causes or modes or persons intervening in the commission of the crime that has to be taken into consideration. There is no such felony of robbery with homicide through reckless imprudence or simple negligence. The constitutive elements of the crime, namely, robbery and homicide, must be consummated.

3. ID.; ID.; THE VICTIM OF THE ROBBERY NEED NOT BE THE VICTIM OF THE HOMICIDE.— [R]obbery with homicide is committed when the robbers kill their victims, or bystanders who attempt to thwart the robbery, or responding police officers. In *People v. Barut*, this Court found the assailants guilty of robbery with homicide when the shootout between them and a rescue party resulted in the deaths of one of the assailants and one of the rescue party members. This Court reasoned that, in robbery with homicide, the victim of the robbery did not need to be the victim of the homicide. . . .

4. ID.; ID.; A PERSON WHO PARTICIPATED IN THE ROBBERY, BY REASON OR ON OCCASION OF WHICH A HOMICIDE OCCURS, IS GUILTY OF ROBBERY WITH HOMICIDE EVEN IF HE/SHE DID NOT TAKE PART IN THE KILLING.— One who participated in a robbery, by reason or on occasion of which a homicide occurs — even if the person did not take part in the killing — is guilty of robbery with homicide. "[E]ach conspirator answers for all the acts of the others committed for this accomplishment of the common purpose."

5. ID.; ID.; NOT ALL DEATHS ON THE OCCASION OF A ROBBERY MAY BE CONSIDERED AS ONE OF ROBBERY WITH HOMICIDE.— [N]ot all deaths on the occasion of a robbery have been considered by this Court as one of robbery with homicide.

For one, if the robbery was committed by a band, and the accused was proven to have attempted to prevent the assaults committed by their co-robbers during the robbery, they shall not be punished as a principal in any of the assaults the band committed pursuant to Article 296 of the Revised Penal Code . . . .

Thus, if the accused who were members of a band could not have prevented the killing committed by their other members, depriving them of the benefit of Article 296, the crime for which they can be convicted is only robbery in band. . . .

Likewise, when there is no proof of direct relation between the robbery and the killing, the crime is not robbery with homicide. . . .

Certain facts in the records may also exonerate an accused from a homicide charge should their co-perpetrator die during their escape, notwithstanding the rule in *People v. De Jesus*. . . .

There are also instances when, if the original criminal design was proven not to be the taking of the victim's personal property, but the victim's death, the perpetrator commits two separate crimes of murder and theft. . . .

6. ID.; ID.; WHEN THE DEATH OF ONE OF THE PERPETRATORS OCCURS AFTER THE ROBBERY IN THE HANDS OF THE POLICEMEN AND HAD NO INTIMATE CONNECTION WITH THE ROBBERY, THE

CRIME COMMITTED IS SIMPLE ROBBERY.— Here, a robbery was proved. It was also shown that, after the robbery took place, the robber Sigua died. But it bears noting that Sigua's death was at the hands of police officers, and accused-appellant, as the surviving co-perpetrator, had a radically different testimony of the events. . . .

. . .

The "intimate connection" essential for a robbery with homicide was ill-established. Even accused-appellant's alleged act of reaching into the laptop bag, which could be construed as a threat, occurred after Sigua had been shot — tending to show that he had not performed any act that directly led to or caused Sigua's death. The homicide on the occasion of this robbery, which would make the crime robbery with homicide, was not proved beyond reasonable doubt.

Thus, accused-appellant may only be convicted of simple robbery under Article 294 (5) of the Revised Penal Code. . . .

7. **POLITICAL LAW; ADMINISTRATIVE LAW; REPUBLIC ACT NO. 6975 (THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT ACT OF 1990); PHILIPPINE NATIONAL POLICE; POLICE OFFICERS MAY BE AUTHORIZED TO USE FORCE THAT IS NECESSARY AND NOT EXCESSIVE TO ENFORCE LAWS.—** Republic Act No. 6975, otherwise known as the Department of Interior and Local Government Act of 1990, empowers the police to enforce laws for the protection of lives and properties, take all necessary steps to ensure public safety, and bring criminal offenders to justice. . . .

Armed by the government and given the authority to use firearms, police officers are taught "schemes, strategies and plans on how to approach danger." Depending on the situation, police officers may be authorized to use force to enforce laws, as long as the force used is necessary and not excessive. When there is a confrontation between law enforcement and a suspect, the police's use of force should be reasonable and proportionate to the threat as perceived by the officers at that time.

8. **ID.; ID.; ID.; ID.; REASONABLENESS OF FORCE; FACTORS.—** According to the Philippine National Police,

reasonableness of the force employed depends on the following criteria:

> 7.6 Factors to Consider in the Reasonableness of the Force Employed. A police officer, however, is not required to afford offender/s attacking him the opportunity for a fair or equal struggle. The reasonableness of the force employed will depend upon the number of aggressors, nature and characteristic of the weapon used, physical condition, size and other circumstances to include the place and occasion of the assault. The police officer is given the sound discretion to consider these factors in employing reasonable force.

The use of firearms by police is more strictly regulated. The danger of death or injury to the police officer or other persons must be imminent to justify resort to firearms. . . .

However, this Court has also warned that a police officer "is never justified in using unnecessary force or in treating the offender with wanton violence, or in resorting to dangerous means when the arrest could be [e]ffected otherwise."

9. REMEDIAL LAW; EVIDENCE; PRESUMPTIONS; PRESUMPTION OF REGULARITY IN THE PERFORMANCE OF DUTIES; POLICE OFFICERS ARE GENERALLY PRESUMED TO HAVE REGULARLY PERFORMED THEIR DUTIES, AND THEIR TESTIMONIES IN CRIMINAL CASES ARE GIVEN CREDENCE.— Police officers are generally presumed to have regularly performed their duties and their testimonies in criminal cases are given credence. Their extensive training and the gravity of their sworn duty to protect the peace give weight to their observations in the field. The presumption, however, can be overturned when there is evidence to the contrary.

This Court has affirmed the sequences of events of such armed confrontations when they are supported by testimonies from disinterested eyewitnesses — those who did not participate in the armed confrontation — and pieces of object evidence, such as the weapons used or the presence of gunpowder residue, that correspond with particular versions of the facts. However, when the prosecution fails to satisfactorily prove the police's version

of events, then doubt is cast on the correctness of the crime charged.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

D E C I S I O N

LEONEN, *J.*:

Police officers are generally presumed to have regularly performed their duties and their testimonies in criminal cases are given credence. Their extensive training and the gravity of their sworn duty to protect the peace give weight to their observations in the field. The presumption, however, can be overturned when there is evidence to the contrary.

This Court resolves an appeal assailing the Decision[1] of the Court of Appeals, which affirmed the Regional Trial Court Decision[2] finding Raymark Daguman *y* Asierto *alias* "Mark" (Daguman) guilty beyond reasonable doubt of the crime of robbery with homicide.[3]

In an August 18, 2010 Information, Daguman was charged with the special complex crime of robbery with homicide:

That on or about the 16th day of August, 2010, in the City of Las Piñas, Philippines and within the jurisdiction of this Honorable Court, the above named accused, armed with an unlicensed firearm and a

---

[1] *Id*. at 2-9. The August 26, 2014 Decision in CA-G.R. CR-HC No. 05643 was penned by Associate Justice Manuel M. Barrios and concurred in by Associate Justices Normandie B. Pizarro and Agnes Reyes-Carpio of the Seventeenth Division, Court of Appeals, Manila.

[2] CA *rollo*, pp. 21-25. The March 7, 2012 Decision in Crim. Case No. 10-0678 was penned by Judge Bonifacio Sanz Maceda of the Regional Trial Court, Las Piñas City, Branch 275.

[3] *Id*. at 25.

bladed weapon, conspiring and confederating together with one DENISE SIGUA, and one (1) John Doe a.k.a. "NogNog" and one (1) Peter Doe a.k.a. Algie whose true identities and present whereabout[s] are still unk[n]own, and all of them mutually helping and aiding one another, with intent to gain and by means of force[,] violence[,] and intimidation, did then and there willfully, unlawfully, and feloniously rob and carry away cash money amounting to Php46,415.00, belonging to Starbucks Coffee, Pamplona 3, Las Piñas City, represented by Alexander A. Angeles II, to their damage and prejudice, and that during or on the occasion of the robbery, the accused, conspiring and confederating and mutually helping one another, with intent to kill, had a ["shootout"] with elements of the Philippine National Police (PNP), resulting in serious physical injuries which caused the death of said Denise Sigua.

That the crime was committed with the aggravating circumstances of use of an unlicensed firearm and commission by a band.

CONTRARY TO LAW.[4]

Daguman pleaded not guilty to the charge on his arraignment.[5] Trial ensued at Branch 275 of the Las Piñas City Regional Trial Court.

As the trial court summarized, the prosecution alleged that Daguman and three others, including one Denise Sigua (Sigua), robbed a café in Las Piñas City on the early morning of August 16, 2010. In a police shootout that followed, Sigua was killed. The prosecution's version of the facts was:

. . . on 16 August 2010 at around 7:45 in the morning, Alexander Angeles II, assistant store manager of Starbucks Café in Las Piñas City, arrived at the store and saw the security guard, Gharry Oquindo, waiting for him. Alexander opened the store and left Gharry outside. Alexander went straight to the back office to count the money in the vault. Gharry, on the other hand, placed his things inside. At this instance, accused Raymark Daguman poked a knife at Gharry declaring hold-up. Gharry raised his hands and Raymark took Gharry's gun in his holster. Raymark passed the gun to his companion Denise Sigua whom Gharry recognized through his voice. Gharry knew Denise

[4] *Id*. at 21-22.

[5] *Id*. at 22.

because the latter used to work at Starbucks as one of the reliever guards. When Raymark took the gun, Gharry glanced at him and saw his face. Raymark and Denise forced Gharry to walk inside the store with Denise pointing a gun behind him. When the robbers saw Alexander counting the money, Denise again declared hold-up. Gharry and Alexander were told to lie down; they were tied and blindfolded. Alexander remembered Raymark as the one who tied him. While in this position, Gharry and Alexander heard Denise Sigua saying to Raymark to place his money inside a bag. Thereafter, the two (2) robbers left. Incidentally, SPO2 Ramil Palisoc and two (2) other police officers namely, PO3 Rizaldy dela Cruz and PO3 Noel Bunal were travelling along Zapote Road, Las Piñas City boarded inside a Toyota Revo when they chanced upon four (4) male individuals hurriedly leaving Starbucks Café. The first individual who was identified later as Denise Sigua was in blue maong pants and white T-Shirt, wearing a black cap and holding in his hand a firearm. He was followed by a second male individual identified as Raymark Daguman who wore a black jacket in yellow shirt and maong shorts, carrying a colored black and white laptop bag. Behind them were the third and fourth male individuals. When the police team saw that Denise was armed, they alighted from the vehicle and introduced themselves as officers. Denise however, responded by pointing his gun at the officers coupled with a shot coming from the third man. The officers fired back wounding Denise who fell on the ground. When Raymark tried to pull something out from the bag, the officers subdued him. The officers recovered from Raymark the following: 1) a kitchen knife measuring 12 inches long; and (2) a black and white laptop bag containing a homemade .38 caliber revolver, color nickel, with five (5) live ammunitions and undetermined cash in different peso denominations (Exhs. "I", "J" to "J-1"). The two (2) other culprits eluded arrest. The police officers eventually released Gharry and Alexander from being hogtied and took off their blindfolds.[6]

In contrast, the defense's version of the facts was:

On the early morning of August 16, 2010, Raymark Daguman was sitting outside their house located at No. 340 Basa Compound, Zapote I Las Piñas City, drinking coffee when Denise Sigua passed by. The latter approached him and they exchange[d] greetings. They have known each other for some time, having played basketball together in their place. Denise introduced his companion, Gharry Oquindo,

---

[6] *Id*.

a *tropa* and a co-worker at Starbucks. Thereafter, Raymark was invited for a treat since according to Denise, it was Gharry's payday. Raymark went inside their house to change clothes and went with them. They boarded a public utility jeepney and alighted in front of Red Ribbon. Gharry told Denise that he would just change and wear his uniform, while Denise and Raymark went to buy cigarettes. Then, Denise told Raymark that they will go to Gharry at Starbucks. Upon arrival thereat, Gharry opened the door for them. While inside, Raymark sat on a chair at about two (2) to three (3) meters away from Denise and Gharry who were then talking. He then saw Gharry handed *(sic)* his service firearm to Denise. The latter approached and told him, *"Pare pasensya ka na, makisama ka na lang para hindi ka madamay sa problema namin."*

Raymark was surprised and afraid since Denise was already holding a gun while telling them to go inside. In his fear, he just followed Denise'[s] orders and went inside with them. When inside, Denise declared a hold up, approached Alex Angeles and poked a gun at the latter's nape. At this point, Raymark ran outside, but was blocked by three (3) vehicles when he was about to cross the street. Three (3) armed civilians alighted from the vehicle and forced him to lie face down, handcuffed him and boarded him to a vehicle. After sometime, he heard successive gun shots while still lying down on his stomach aboard the white vehicle. Several people including the media approached him on the vehicle, while Alex Angeles was asked if Raymark was one of those who held up the store. It took Alex some time before he pointed at Raymark, and then they closed the vehicle door.

Raymark denied having any knowledge of Denise and Gharry's plan to rob Starbucks or that he was caught in possession of a bladed weapon, a *paltik* revolver and the laptop bag which contained an unaccounted amount of money bills. He was carrying nothing when he was arrested. He also denied that it was him who hand tied Alex Angeles while inside the back office of Starbucks.[7] (Citations omitted)

On March 7, 2012, the Regional Trial Court issued a Decision[8] finding Daguman guilty beyond reasonable doubt of

---

[7] *Id.* at 42-43, accused-appellant's Brief before the Court of Appeals.

[8] *Id.* at 21-25.

the special complex crime of robbery with homicide. Its dispositive portion reads:

> WHEREFORE, judgment is hereby rendered finding the accused RAYMARK DAGUMAN Y ASIERTO @ "MARK" GUILTY beyond reasonable doubt of the special complex crime of robbery with homicide and is hereby sentenced to suffer the penalty of *reclusion perpetua*. Accused is further ordered to pay the heirs of Denise Sigua the amount of Php75,000.00 as civil indemnity and Php50,000.00 as moral damages.
>
> SO ORDERED.[9]

According to the Regional Trial Court, the elements of robbery with homicide were proved, namely: (1) the taking of personal property belonging to another; (2) the taking was with intent to gain; (3) the taking was with the use of violence or intimidation against a person; and (4) on the occasion or by reason of the robbery, the crime of homicide, as used in its generic sense, was committed.[10]

The Regional Trial Court gave credence to the testimonies of Alexander Angeles (Angeles), the store manager, and Gharry Oquindo (Oquindo), the security guard. To the trial court, both witnesses positively identified Daguman as the person who pointed the knife at Oquindo and took his firearm, and restrained and blindfolded Angeles. Daguman was also ascertained as the person from whom the police officers had recovered the stolen money. The trial court disregarded Daguman's denial, taking into account his presence at the crime scene and his admission that Sigua had informed him of the plan to rob the café beforehand.[11]

Further, the trial court cited *People v. De Jesus*[12] in finding that the crime committed was robbery with homicide. Sigua

---

[9] *Id*. at 25.

[10] *Id*. at 23.

[11] *Id*.

[12] 473 Phil. 405 (2004) [*Per Curiam, En Banc*].

was found to have been killed by reason or on occasion of the robbery.[13]

However, the Regional Trial Court did not appreciate the aggravating circumstances of commission of robbery by a band and use of an unlicensed firearm. As to the robbery by a band, the trial court found no evidence to show that there were two other suspects who escaped after the robbery, and neither Angeles nor Oquindo testified to their presence. While these two suspects were implicated because the third man shot at police officers during the purported escape from the café, it was not shown how they were connected to the robbery. As to the use of an unlicensed firearm, no evidence was presented to show that Daguman had no license to carry the homemade revolver.[14]

Daguman appealed to the Court of Appeals, arguing that the Regional Trial Court gravely erred in convicting him despite the prosecution's failure to prove his guilt beyond reasonable doubt.[15] He claimed that he was misidentified as a robber,[16] and that he has shown that he was not privy to the plan[17] hatched by Sigua and Oquindo, whom he insisted was part of the scheme. He added that he only followed Sigua's instructions to enter the café out of fear, since Sigua was pointing a gun at him.[18]

The prosecution countered that the Regional Trial Court correctly convicted Daguman. It pointed out that he was positively identified by two witnesses as one of the two persons who took money from the café, and that the money was found in his possession afterward.[19]

---

[13] CA *rollo*, pp. 23-24.

[14] *Id*. at 24.

[15] *Id*. at 39, accused-appellant's Brief.

[16] *Id*. at 44-46.

[17] *Id*. at 46-48.

[18] *Id*. at 47.

[19] *Id*. at 74-75, plaintiff-appellee's Brief.

The Court of Appeals denied Daguman's appeal. The dispositive portion of its August 26, 2014 Decision[20] reads:

WHEREFORE, premises considered, the appeal is DENIED. The Decision of the Regional Trial Court, Branch 275, Las Piñas City is AFFIRMED.

SO ORDERED.[21]

The Court of Appeals found that the prosecution presented sufficient evidence to prove Daguman's guilt. He was positively identified by both Angeles and Oquindo. Further, when Daguman was arrested, he was found in possession of the knife used in the robbery and the money taken from the café. The Court of Appeals noted that, despite Daguman's denial that he took part in the robbery, he was unable to satisfactorily explain why he was inside the café while the robbery was ongoing.[22]

Daguman filed a Notice of Appeal.[23] On July 15, 2015, the Court of Appeals elevated the records of this case to this Court pursuant to its October 7, 2014 Resolution, which gave due course to the notice of appeal.[24]

In its September 2, 2015 Resolution,[25] this Court noted the records of this case forwarded by the Court of Appeals and informed the parties that they may file their supplemental briefs.

Both plaintiff-appellee People of the Philippines,[26] through the Office of the Solicitor General, and accused-appellant[27] manifested that they would no longer be filing

---

[20] *Rollo*, pp. 2-9.

[21] *Id*. at 8.

[22] *Id*. at 6-7.

[23] *Id*. at 10-12.

[24] *Id*. at 13.

[25] *Id*. at 15.

[26] *Id*. at 16-18.

[27] *Id*. at 19-23.

supplemental briefs, which were noted by this Court in its January 27, 2016 Resolution.[28]

The issues to be resolved in this case are:

First, whether or not accused-appellant Raymark Daguman is guilty beyond reasonable doubt of the special complex crime of robbery with homicide; and

Second, whether or not he is liable to pay civil indemnity and damages to the heirs of Denise Sigua.

The special complex crime of robbery with homicide is punishable under Article 294 (1) of the Revised Penal Code, which provides:

> ARTICLE 294. Robbery with Violence Against or Intimidation of Persons — Penalties. — Any person guilty of robbery with the use of violence against or intimidation of any person shall suffer:
>
> > 1. The penalty of *reclusion perpetua* to death, when by reason or on occasion of the robbery, the crime of homicide shall have been committed.

The elements of robbery with homicide are: "(1) the taking of personal property with violence or intimidation against persons; (2) the property taken belongs to another; (3) the taking was done with *animo lucrandi*; and (4) on the occasion of the robbery or by reason thereof, homicide was committed."[29]

Here, the prosecution satisfactorily proved the first three elements of the crime. Accused-appellant and Sigua were established to have taken cash from the café by intimidating its manager and security guard. Angeles and Oquindo positively identified accused-appellant as one of the perpetrators. Angeles pointed to accused-appellant as the person who restrained and blindfolded him during the robbery. Meanwhile, Oquindo

---

[28] *Id.* at 24.

[29] *People v. Palema*, G.R. No. 228000, July 10, 2019, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65406> [Per *J.* Leonen, Third Division] citing *People v. Domacyong*, 463 Phil. 447 (2003) [Per *J.* Puno, Second Division].

testified that accused-appellant pointed a knife at him and took his service weapon.[30]

As the trial court correctly held, these testimonies belie accused-appellant's denial. Even if his claim that Oquindo was the robber and not him were to be considered, he was still unable to explain why Angeles, seemingly the only person who was not identified by any party to be a perpetrator, did not testify on Oquindo's alleged involvement.

But the last element, homicide being committed on the occasion or by reason of the robbery, must be reexamined. Each element of an offense must be proved beyond reasonable doubt.[31]

People v. De Jesus[32] explains what is meant by "when by reason or occasion of the robbery, the crime of homicide shall have been committed" in Article 294 (1) of the Revised Penal Code:

> In robbery with homicide, the original criminal design of the malefactor is to commit robbery, with homicide perpetrated on the occasion or by reason of the robbery. The intent to commit robbery must precede the taking of human life. The homicide may take place before, during or after the robbery. It is only the result obtained, without reference or distinction as to the circumstances, causes or modes or persons intervening in the commission of the crime that has to be taken into consideration. There is no such felony of robbery with homicide through reckless imprudence or simple negligence. The constitutive elements of the crime, namely, robbery and homicide, must be consummated.
>
> It is immaterial that the death would supervene by mere accident; or that the victim of homicide is other than the victim of robbery, or that two or more persons are killed or that aside from the homicide,

---

[30] CA *rollo*, p. 22.

[31] See *People v. De Jesus*, 465 Phil. 771 (2004) [Per *J*. Quisumbing, Second Division]; and *People v. Padilla*, G.R. No. 234947, June 19, 2019, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65251> [Per *J*. Caguioa, Second Division].

[32] 473 Phil. 405 (2004) [*Per Curiam, En Banc*].

rape, intentional mutilation, or usurpation of authority, is committed by reason or on the occasion of the crime. Likewise immaterial is the fact that the victim of homicide is one of the robbers; the felony would still be robbery with homicide. Once a homicide is committed by or on the occasion of the robbery, the felony committed is robbery with homicide. All the felonies committed by reason of or on the occasion of the robbery are integrated into one and indivisible felony of robbery with homicide. The word "homicide" is used in its generic sense. Homicide, thus, includes murder, parricide, and infanticide.

. . . .

When homicide is committed by reason or on the occasion of robbery, all those who took part as principals in the robbery would also be held liable as principals of the single and indivisible felony of robbery with homicide although they did not actually take part in the killing, unless it clearly appears that they endeavored to prevent the same.

If a robber tries to prevent the commission of homicide after the commission of the robbery, he is guilty only of robbery and not of robbery with homicide. All those who conspire to commit robbery with homicide are guilty as principals of such crime, although not all profited and gained from the robbery. One who joins a criminal conspiracy adopts the criminal designs of his co-conspirators and can no longer repudiate the conspiracy once it has materialized.

Homicide is said to have been committed by reason or on the occasion of robbery if, for instance, it was committed to (a) facilitate the robbery or the escape of the culprit; (b) to preserve the possession by the culprit of the loot; (c) to prevent discovery of the commission of the robbery; or, (d) to eliminate witnesses in the commission of the crime. As long as there is a nexus between the robbery and the homicide, the latter crime may be committed in a place other than the situs of the robbery.[33] (Citations omitted)

Thus, robbery with homicide is committed when the robbers kill their victims,[34] or bystanders who attempt to thwart the

---

[33] *Id.* at 427-428.

[34] See *People v. Cabbab*, 554 Phil. 459 (2007) [Per *J.* Garcia, First Division]; *People v. Jabiniao*, 576 Phil. 696 (2008) [Per *J.* Chico-Nazario, Third Division]; and *People v. Palema*, G.R. No. 228000, July 10, 2019, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65406> [Per *J.* Leonen, Third Division].

robbery,[35] or responding police officers.[36] In *People v. Barut*,[37] this Court found the assailants guilty of robbery with homicide when the shootout between them and a rescue party resulted in the deaths of one of the assailants and one of the rescue party members. This Court reasoned that, in robbery with homicide, the victim of the robbery did not need to be the victim of the homicide:

Although the killing of Evaristo Tuvera was perpetrated after the consummation of the robbery and after the robbers had left the victim's house, the homicide is still integrated with the robbery or is regarded as having been committed "by reason or on the occasion" thereof, as contemplated in article 294(1) of the Revised Penal Code.

In the controlling Spanish version of article 294, it is provided that there is robbery with homicide "*cuando con motivo o con ocasion del robo resultare homicidio*." "*Basta que entre aquel este exista una relacion meramente ocasional. No se requiere que el homicidio se cometa como medio de ejecucion del robo, ni que el culpable tenga intencion de matar, el delito existe segun constante jurisprudencia, aun cuando no concurra nimo homicida, incluso si la muerte sobreviniere por mero accidente, siempre que el homicidio se produzca con motivo o con ocasion del robo, siendo indiferente que la muerte sea anterior, coetanea o posterior a ste*" (2 Cuello Calon, Derecho Penal, 1975 14th Ed. p. 872).

There is *robo con homicidio* even if the victim killed was an innocent bystander and not the person robbed. The law does not require that the victim of the robbery be also the victim of the homicide (*People vs. Moro Disimban*, 88 Phil. 120; *People vs. Salamuddin No. 1*, 52 Phil. 670; *People vs. Gardon*, 104 Phil. 371).

---

[35] See *People v. De Jesus*, 473 Phil. 405 (2004) [*Per Curiam, En Banc*]; *People v. Sorila*, 578 Phil. 931 (2008) [Per *J*. Ynares-Santiago, Third Division]; and *People v. Dela Cruz*, 595 Phil. 998 (2008) [Per *J*. Brion, *En Banc*].

[36] See *People v. Buyagan*, 681 Phil. 569 (2012) [Per *J*. Brion, Second Division]; and *People v. Comiling*, 468 Phil. 869 (2004) [Per *J*. Corona, *En Banc*].

[37] 178 Phil. 12 (1979) [Per *J*. Aquino, Second Division].

In the instant case, the robbery spawned a fight between the robbers and the neighbors of Lazaro, the robbery victim. The killing of Evaristo Tuvera resulted from that fight. Hence, it was connected with the robbery.[38]

One who participated in a robbery, by reason or on occasion of which a homicide occurs — even if the person did not take part in the killing — is guilty of robbery with homicide.[39] "[E]ach conspirator answers for all the acts of the others committed for this accomplishment of the common purpose."[40]

Yet, not all deaths on the occasion of a robbery have been considered by this Court as one of robbery with homicide.

For one, if the robbery was committed by a band, and the accused was proven to have attempted to prevent the assaults committed by their co-robbers during the robbery, they shall not be punished as a principal in any of the assaults the band committed. Article 296 of the Revised Penal Code states:

> ARTICLE 296. Definition of a Band and Penalty Incurred by the Members Thereof. — When more than three armed malefactors take part in the commission of a robbery, it shall be deemed to have been committed by a band (cuadrilla).
>
> Any member of a band who is present at the commission of a robbery in an uninhabited place and by a band, shall be punished as principal of any of the assaults committed by the band, unless it be shown that he attempted to prevent the same.

Thus, if the accused who were members of a band could not have prevented the killing committed by their other members, depriving them of the benefit of Article 296, the crime for which

---

[38] *Id*. at 17.

[39] See *People v. Cabilto*, 414 Phil. 615 (2001) [Per *J*. Ynares-Santiago, First Division]; *People v. Vivas*, 302 Phil. 260 (1994) [Per *J*. Cruz, First Division]; and *People v. Lago*, 411 Phil. 52 (2001) [Per *J*. Panganiban, Third Division].

[40] *People v. Salamuddin No. 1*, 52 Phil. 670, 672 (1929) [Per *J*. Romualdez, *En Banc*].

they can be convicted is only robbery in band. In *People v. Doble*:[41]

It is however, not established by the evidence that in the meeting held in the house of Simeon Doble, the malefactors had agreed to kill, if necessary to carry out successfully the plan to rob. What appellants may be said to have joined is the criminal design to rob, which makes them accomplices. *Their complicity must, accordingly, be limited to the robbery, not with the killing. Having been left in the banca, they could not have tried to prevent the killing, as is required of one seeking relief from liability for assaults committed during the robbery (Art. 296, Revised Penal Code).*

The finding that appellants are liable as mere accomplices may appear too lenient considering the gravity and viciousness of the offense with which they were charged. The evidence, however, fails to establish then complicity by a previous conspiracy with the real malefactors who actually robbed the bank and killed and injured several persons, including peace officers. The failure to bring to justice the real and actual culprits of so heinous a crime should not bring the wrath of the victims nor of the outraged public, upon the heads of appellants whose participation has not been shown to be as abominable as those who had gone into hiding. The desire to bring extreme punishment to the real culprits should not blind Us in meting out a penalty to appellants more than what they justly deserve, and as the evidence warrants.[42] (Emphasis supplied, citations omitted)

Likewise, when there is no proof of direct relation between the robbery and the killing, the crime is not robbery with homicide. In *People v. Quemeggen*,[43] an initial conviction for robbery with homicide was modified because there was no direct relation between the robbery of a passenger jeep and the subsequent killing of a police officer who had custody of some of the suspects. Only the accused who killed the police officer was convicted of the separate crimes of robbery and homicide, while the other accused was convicted of robbery only:

---

[41] 199 Phil. 343 (1982) [Per *J*. De Castro, *En Banc*].

[42] *Id*. at 360-361.

[43] 611 Phil. 487 (2009) [Per *J*. Nachura, Third Division].

Given the circumstances surrounding the instant case, we agree with the CA that appellants cannot be convicted of Robbery with Homicide. Indeed, the killing may occur before, during, or after the robbery. And it is immaterial that death would supervene by mere accident, or that the victim of homicide is other than the victim of robbery, or that two or more persons are killed. *However, essential for conviction of robbery with homicide is proof of a direct relation, an intimate connection between the robbery and the killing, whether the latter be prior or subsequent to the former or whether both crimes are committed at the same time.*

From the testimonies of the prosecution witnesses, we cannot see the connection between the robbery and the homicide. It must be recalled that after taking the passengers' personal belongings, appellants (and two other suspects) alighted from the jeepney. At that moment, robbery was consummated. Some of the passengers, however, decided to report the incident to the proper authorities; hence, they went to the nearest police station. There, they narrated what happened. The police eventually decided to go back to the place where the robbery took place. Initially, they saw no one; then finally, Kagalingan saw the suspects on board a pedicab. De Luna and two other suspects were caught and left under the care of Suing. It was then that Suing was killed. *Clearly, the killing was distinct from the robbery. There may be a connection between the two crimes, but surely, there was no "direct connection."*[44] (Emphasis supplied, citations omitted)

Certain facts in the records may also exonerate an accused from a homicide charge should their co-perpetrator die during their escape, notwithstanding the rule in *People v. De Jesus*.[45] In *People v. Concepcion*,[46] this Court downgraded a conviction for robbery with homicide to theft, because the two perpetrators did not employ violence, force, or intimidation in taking the victim's bag. As for the death of one of the perpetrators during their escape, this Court found:

Based on the RTC Decision's statement of facts which was affirmed by the CA, Concepcion's co-conspirator, Rosendo Ogardo, Jr. y

---

[44] *Id*. at 498.

[45] 473 Phil. 405 (2004) [*Per Curiam, En Banc*].

[46] 691 Phil. 542 (2012) [Per *J*. Carpio, Second Division].

Villegas (Ogardo), who was driving the motorcycle, died because he lost control of the motorcycle and crashed in front of de Felipe's taxi. *Since Concepcion, as passenger in the motorcycle, did not perform or execute any act that caused the death of Ogardo, Concepcion cannot be held liable for homicide*.[47] (Emphasis supplied)

There are also instances when, if the original criminal design was proven not to be the taking of the victim's personal property, but the victim's death, the perpetrator commits two separate crimes of murder and theft.[48]

Here, a robbery was proved. It was also shown that, after the robbery took place, the robber Sigua died. But it bears noting that Sigua's death was at the hands of police officers, and accused-appellant, as the surviving co-perpetrator, had a radically different testimony of the events. For these reasons, the Regional Trial Court should have closely scrutinized the circumstances surrounding Sigua's killing.

Republic Act No. 6975, otherwise known as the Department of the Interior and Local Government Act of 1990, empowers the police to enforce laws for the protection of lives and properties, take all necessary steps to ensure public safety, and bring criminal offenders to justice:

SECTION 24. Powers and Functions. — The [Philippine National Police] shall have the following powers and functions:

(a) Enforce all laws and ordinances relative to the protection of lives and properties;

(b) Maintain peace and order and take all necessary steps to ensure public safety;

(c) Investigate and prevent crimes, effect the arrest of criminal offenders, bring offenders to justice and assist in their prosecution[.]

---

[47] *Id*. at 550.

[48] *People v. Lara*, 535 Phil. 867, 889-890 (2006) [Per *J*. Chico-Nazario, *En Banc*].

Armed by the government and given the authority to use firearms, police officers are taught "schemes, strategies and plans on how to approach danger."[49] Depending on the situation, police officers may be authorized to use force to enforce laws, as long as the force used is necessary and not excessive.[50] When there is a confrontation between law enforcement and a suspect, the police's use of force should be reasonable and proportionate to the threat as perceived by the officers at that time. According to the Philippine National Police, reasonableness of the force employed depends on the following criteria:

7.6 Factors to Consider in the Reasonableness of the Force Employed

A police officer, however, is not required to afford offender/s attacking him the opportunity for a fair or equal struggle. The reasonableness of the force employed will depend upon the number of aggressors, nature and characteristic of the weapon used, physical condition, size and other circumstances to include the place and occasion of the assault. The police officer is given the sound discretion to consider these factors in employing reasonable force.[51]

The use of firearms by police is more strictly regulated. The danger of death or injury to the police officer or other persons must be imminent to justify resort to firearms:

---

[49] *People v. Salimbago*, 373 Phil. 56, 67 (1999) [Per *J*. Ynares-Santiago, First Division].

[50] REVISED PHILIPPINE NATIONAL POLICE OPERATIONAL PROCEDURES (2013), Rule 7.1, states:

Rule 7.1. Use of Excessive Force Prohibited.

The excessive use of force during police operation is prohibited. However, in the lawful performance of duty, a police officer may use necessary force to accomplish his mandated tasks of enforcing the law and maintaining peace and order.

Available at <https://www.pro5.pnp.gov.ph/sorsogonppo/index.php/downloads/send/3-manuals/7-revised-philippine-national-police-operational-procedures> (last visited on August 26, 2020).

[51] REVISED PHILIPPINE NATIONAL POLICE OPERATIONAL PROCEDURES (2013), available at <https://www.pro5.pnp.gov.ph/sorsogonppo/index.php/downloads/send/3-manuals/7-revisedphilippine-national-police-operational-procedures> (last visited on August 26, 2020).

8.1. Use of Firearm When Justified

The use of firearm is justified if the offender poses imminent danger of causing death or injury to the police officer or other persons. The use of firearm is also justified under the doctrines of self-defense, defense of a relative, and defense of a stranger. However, one who resorts to self-defense must face a real threat on his life, and the peril sought to be avoided must be actual, imminent and real. Unlawful aggression should be present for self-defense to be considered as a justifying circumstance.[52]

In *SPO2 Cabanlig v. Sandiganbayan*:[53]

A policeman in the performance of duty is justified in using such force as is reasonably necessary to secure and detain the offender, overcome his resistance, prevent his escape, recapture him if he escapes, and protect himself from bodily harm. In case injury or death results from the policeman's exercise of such force, the policeman could be justified in inflicting the injury or causing the death of the offender if the policeman had used necessary force. Since a policeman's duty requires him to overcome the offender, the force exerted by the policeman may therefore differ from that which ordinarily may be offered in self-defense.[54] (Citations omitted)

However, this Court has also warned that a police officer "is never justified in using unnecessary force or in treating the offender with wanton violence, or in resorting to dangerous means when the arrest could be [e]ffected otherwise."[55] In *People v. Lagata*:[56]

Even if appellant sincerely believed, although erroneously, that in firing the shots be acted in the performance of his official duty, the

---

[52] REVISED PHILIPPINE NATIONAL POLICE OPERATIONAL PROCEDURES (2013), available at <https://www.pro5.pnp.gov.ph/sorsogonppo/index.php/downloads/send/3-manuals/7-revised-philippine-national-police-operational-procedures> (last visited on August 26, 2020).

[53] 502 Phil. 564 (2005) [Per *J*. Carpio, First Division].

[54] *Id*. at 575-576.

[55] *Id*. at 576.

[56] 83 Phil. 150 (1949) [Per *J*. Perfecto, Second Division].

circumstances of the case show that there was no necessity for him to fire directly against the prisoners, so as to seriously wound one of them and kill instantaneously another. While custodians of prisoners should take all care to avoid the latter's escape, only absolute necessity would authorize them to fire against them. Theirs is the burden of proof as to such necessity. The summary liquidation of prisoners, under flimsy pretexts of attempts of escape, which has been and is being practiced in dictatorial systems of government, has always been and is shocking to the universal conscience of humanity.[57]

Police officers are generally presumed to have regularly performed their duties and their testimonies in criminal cases are given credence.[58] Their extensive training and the gravity of their sworn duty to protect the peace give weight to their observations in the field.[59] The presumption, however, can be overturned when there is evidence to the contrary.[60]

This Court has affirmed the sequences of events of such armed confrontations when they are supported by testimonies from disinterested eyewitnesses — those who did not participate in the armed confrontation[61] — and pieces of object evidence, such as the weapons used or the presence of gunpowder residue, that correspond with particular versions of the facts.[62] However,

---

[57] *Id*.

[58] See *People v. Gamayon*, 206 Phil. 560 (1983) [Per *J*. Gutierrez, Jr., First Division]; *People v. Rosas*, 233 Phil. 481 (1987) [Per *J*. Gutierrez, Jr., Second Division]; and *People v. Boholst*, 236 Phil. 285 (1987) [Per *J*. Gutierrez, Jr., Third Division].

[59] Charles Goodwin, *Professional Vision*, 96 (3) AMERICAN ANTHROPOLOGIST 606, 616-622 (1994).

[60] See *People v. Gamayon*, 206 Phil. 560 (1983) [Per *J*. Gutierrez, Jr., First Division]; *People v. Rosas*, 233 Phil. 481 (1987) [Per *J*. Gutierrez, Jr., Second Division]; and *People v. Boholst*, 236 Phil. 285 (1987) [Per *J*. Gutierrez, Jr., Third Division].

[61] See *People v. Viñalon*, 434 Phil. 72 (2002) [Per *J*. Quisumbing, *En Banc*]; *People v. Guiamil*, 343 Phil. 454 (1997) [Per *J*. Bellosillo, First Division]; and *People v. Cerbito*, 381 Phil. 315 (2000) [Per *J*. Gonzaga-Reyes, Third Division].

[62] See *People v. Verchez*, 303 Phil. 185 (1994) [Per *J*. Quiason, First Division]; and *People v. Domacyong*, 463 Phil. 447 (2003) [Per *J*. Puno, Second Division].

when the prosecution fails to satisfactorily prove the police's version of events, then doubt is cast on the correctness of the crime charged.

Here, the pieces of evidence presented do not prove beyond reasonable doubt the element of homicide as defined in Article 294 (1) of the Revised Penal Code and as interpreted in our jurisprudence. The only witness who testified on the alleged shootout was PO2 Palisoc, one of the officers involved in the shootout.[63] This Court only has his version of events. PO3 dela Cruz and PO3 Bunal, the other police officers who could have corroborated his version, did not testify. Accused-appellant's testimony that he heard gunshots sometime after the robbery cannot be considered proof of a shootout. His statement, if true, could only prove that, at that time, at least one person fired a gun, but not who fired the gun, at whom, and why.

Notably, although PO2 Palisoc claimed that he saw four people flee the café, both Angeles and Oquindo only testified to two perpetrators: Sigua and accused-appellant. PO2 Palisoc's claim that there was a third person who instigated the shootout by firing first was unsupported by other evidence.

Based on the other witnesses' testimonies, as well as the object evidence recovered from accused-appellant, only two firearms figured in this case: Oquindo's service firearm, which accused-appellant took and gave Sigua; and the homemade revolver inside accused-appellant's laptop bag. The robbery victims were clear that they were intimidated by a knife, and not by a firearm. It cannot even be determined from the records what happened to the firearm in Sigua's possession after the robbery.

The perceived threat to the police officers was unsubstantiated. The robbery victims and accused-appellant could not corroborate the existence of the alleged third and fourth robbers who fled the crime scene with Sigua and accused-appellant, let alone that the alleged third robber was carrying a firearm that was

---

[63] CA *rollo*, pp. 16-18.

neither the service firearm nor the homemade revolver. It cannot be concluded from the evidence that Sigua's killing was connected to the robbery, besides him being one of the robbers.

The "intimate connection"[64] essential for a robbery with homicide was ill-established. Even accused-appellant's alleged act of reaching into the laptop bag, which could be construed as a threat, occurred after Sigua had been shot — tending to show that he had not performed any act that directly led to or caused Sigua's death. The homicide on the occasion of this robbery, which would make the crime robbery with homicide, was not proved beyond reasonable doubt.

Thus, accused-appellant may only be convicted of simple robbery under Article 294 (5) of the Revised Penal Code, with its corresponding penalty of *prision correccional* in its maximum period to *prision mayor* in its medium period. Applying the Indeterminate Sentence Law,[65] the minimum imposable penalty is *arresto mayor* in its maximum period to *prision correccional* in its medium period, or four months and one day to four years and two months. The maximum term shall be *prision correccional* in its maximum period to *prision mayor* in its medium period, or four years, two months, and one day to 10 years.[66] There being no modifying circumstances, the penalty to be imposed on accused-appellant is four years of *prision correccional*, as minimum, to eight years of *prision mayor*, as maximum.

Finally, accused-appellant is not liable to pay civil indemnity and moral damages to the heirs of Sigua. As discussed, no evidence was presented to show that he performed any act that caused or led to Sigua's death that should make him civilly liable.

---

[64] *People v. Quemeggen*, 611 Phil. 487, 498 (2009) [Per *J*. Nachura, Third Division].

[65] Act No. 4103 (1933), as amended.

[66] See *People v. Quemeggen*, 611 Phil. 487 (2009) [Per *J*. Nachura, Third Division]; and *Coscolla v. People*, 617 Phil. 661 (2009) [Per *J*. Chico-Nazario, Special Third Division].

WHEREFORE, this Court **AFFIRMS WITH MODIFICATION** the Court of Appeals' August 26, 2014 Decision in CA-G.R. CR-HC No. 05643. Accused-appellant Raymark Daguman *y* Asierto @ "Mark" is found **GUILTY** of the crime of robbery under Article 294 (5) of the Revised Penal Code and shall serve the indeterminate penalty of four years of *prision correccional*, as minimum, to eight years of *prision mayor*, as maximum. The order for him to pay the heirs of Denise Sigua the amounts of ₱75,000.00 as civil indemnity and ₱50,000.00 as moral damages is **DELETED**.

Considering that accused-appellant has been incarcerated for more than the maximum penalty for the crime of robbery he committed, the Director General of the Bureau of Corrections is **ORDERED** to **IMMEDIATELY RELEASE** him from confinement, unless further detention is justified by some other lawful cause, and inform this Court the action taken within five days from receipt hereof.

SO ORDERED.

Gesmudo, Carandang, Zalameda, and *Gaerlan, JJ.*, concur.

THIRD DIVISION

[G.R. No. 228402. August 26, 2020]

LOYOLA LIFE PLANS INCORPORATED (now LOYOLA PLANS CONSOLIDATED INC.) and ANGELITA D. LUMIQUED, *petitioners, vs.* **ATR PROFESSIONAL LIFE ASSURANCE CORPORATION (now ASIAN LIFE AND GENERAL ASSURANCE CORPORATION),** *respondent.*

[G.R. No. 222912. August 26, 2020]

ATR PROFESSIONAL LIFE ASSURANCE CORPORATION (NOW ASIAN LIFE AND GENERAL ASSURANCE CORPORATION), *petitioner, vs.* **LOYOLA LIFE PLANS INCORPORATED (now LOYOLA PLANS CONSOLIDATED INC.) and ANGELITA D. LUMIQUED,** *respondents.*

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; ALLEGATIONS OF FORGERY MUST BE PROVED BY CLEAR, POSITIVE AND CONVINCING EVIDENCE.—** It is well-settled that allegations of forgery, like all other allegations, must be proved by clear, positive, and convincing evidence by the party alleging it. It should not be presumed but must be established by comparing the alleged forged signature with the genuine signatures. Although handwriting experts are often offered as witnesses, they are not indispensable because judges must exercise independent judgment in determining the authenticity or genuineness of the signatures in question.

2. **CIVIL LAW; SPECIAL CONTRACTS; CONTRACT OF INSURANCE; DEFINITION AND ELEMENTS.—** A contract of insurance is defined as an agreement whereby one undertakes for a consideration to indemnify another against loss, damage, or liability arising from an unknown or contingent event. An insurance contract exists where the following elements concur: (1) the insured has an insurable interest; (2) the insured is subject to a risk of loss by the happening of the designated peril; (3) the insurer assumes the risk; (4) such assumption of risk is part of a general scheme to distribute actual losses among a large group of persons bearing a similar risk; and (5) in consideration of the insurer's promise, the insured pays a premium.

3. **ID.; ID.; ID.; PERFECTED CONTRACT OF INSURANCE; EFFECTIVE DATE ON DATE OF INITIAL PAYMENT OF INSURANCE PREMIUM.—** In the case of *Perez v. Court of Appeals,* the Court held that assent is given when the insurer issues a corresponding policy to the applicant. The Court declared that "[i]t is only when the applicant pays the premium and receives

and accepts the policy while he is in good health that the contract of insurance is deemed to have been perfected." The fact that [insured] Dwight was only able to make an initial payment of the insurance premium and that [the agent] Loyola failed to immediately remit cash portion of the initial payment to ATR [Assurance Corporation] should not affect the validity of the perfected insurance contract. x x x [I]n the clause pertaining to the "EFFECTIVE DATE" of the policy, it clearly states that "[t]he coverage of insurable PLANHOLDER shall take effect on the date of initial payment and/or down payment on the selected plan (as shown in the Binding Deposit Receipt)." The contract between ATR and Loyola is a contract of adhesion as it was prepared solely by ATR for Loyola and its planholders to conform to. Any ambiguity in a contract of adhesion is construed strictly against the party that prepared it. In this case, the obscure provision pertaining to the date of effectivity of the policy coverage should be resolved in favor of [the claimant] Angelita. x x x It is important to clarify that Loyola is an agent of ATR. In a contract of agency, "a person binds himself to render some service or to do something in representation or on behalf of another, with the consent or authority of the latter." Therefore, a planholder's payment made to Loyola has the same legal effect as payment made to ATR, even if Loyola failed to immediately deposit the cash payment to its account. x x x Furthermore, upon payment of the premium, Dwight was issued a copy of the Timeplan contract x x x Dwight's receipt of the Timeplan contract, while he was in good health, signifies that the contract was perfected. The delivery of the corresponding Timeplan contract signifies the perfection of the contract between him and Loyola.

4. **ID.; DAMAGES; MORAL DAMAGES AND EXEMPLARY DAMAGES AWARDED FOR BAD FAITH IN UNDULY PROLONGING THE PROCESS OF CLAIMING INSURANCE BENEFITS.—** The Court finds that an award of moral damages in the amount of ₱50,000.00 is commensurate to the anxiety and inconvenience Angelita suffered for ATR's callous treatment of her claim for death benefits. Indeed, ATR reneged on its obligation to pay the proceeds from the policy Angelita is entitled to receive and intentionally delayed the procedure to claim through its unsubstantiated assertion that Dwight was murdered. It also did not escape the Court's attention that ATR belatedly assailed the genuineness of the Timeplan

application of Dwight 18 months after his death. For the Court, these acts collectively show the intention of ATR to unduly prolong the process of claiming the benefits, thus justifying the award of moral damages in favor of Angelita. ***Exemplary Damages*** Article 2232 of the Civil Code provides that in a contractual or quasi-contractual relationship, exemplary damages may be awarded only if the defendant had acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner. Article 2234 of the Civil Code further requires that, to be entitled to exemplary damages, the claimant must show that he is entitled to moral, temperate, or compensatory damages. ATR undertook to insure Loyola's planholders upon the fulfillment of any of the instances enumerated in the "Date of Effectivity of Individual Insurance" clause of Master Policy No. GCL-878. Considering that ATR refused to honor the insurance coverage of Dwight's Timeplan, and unduly prolonged the procedure for claiming the benefits under the policy, the Court finds that the award of exemplary damages in the amount of ₱50,000.00 in favor of Angelita reasonable.

5. **ID.; ID.; ATTORNEY'S FEES AWARDED BECAUSE EXEMPLARY DAMAGES WERE AWARDED AND DUE TO THE LENGTH OF THE PROCEEDINGS.—** The RTC was correct in awarding attorney's fees because exemplary damages were awarded and due to the length of the proceedings. In addition, the Court finds the civil action initiated by ATR unfounded and that its continued refusal to honor the insurance claim of Angelita under Master Policy No. GCL-878 justifies the award of attorney's fees in the amount of ₱50,000.00 in her favor. Similarly, the Court finds that an award of attorney's fees in the amount of ₱50,000.00 in favor of Loyola and Angelita is proper due to the unfounded suit ATR filed against it and the length of the proceedings.

6. **ID.; ID.; AWARD OF INTEREST PROPER IN CASE AT BAR. —** [A]ward of interest in accordance with the Court's ruling in the case of *Nacar v. Gallery Frames* is proper. x x x Applying the guidelines in *Nacar* to the present case, 12% interest rate *per annum* shall be imposed on the principal amount due from the time of judicial demand, *i.e.,* from the time of the filing of the complaint, until June 30, 2013. Thereafter, from July 1, 2013, until full satisfaction of the monetary award, the interest rate shall be 6% *per annum.*

APPEARANCES OF COUNSEL

Roldan & Roldan Law Offices for ATR Professional Life Assurance Corp., now Asian Life General.

Benjamin D. Tañedo, Jr. for Loyola Plans Consolidated, Inc. and Angelita D. Lumiqued.

D E C I S I O N

CARANDANG, *J.*:

Before this Court are two consolidated Petitions for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, assailing the Decision[2] dated February 4, 2016 and the Resolution[3] dated November 17, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 97528.

Antecedents

Loyola Life Plans, Inc. (Loyola) is a pre-need company engaged in the business of insuring the lives of its plan holders through its Timeplans (pension contracts) and Lifeplans (memorial service contracts), which are covered by insurance benefits provided by several insurance companies including GE Life Insurance Company, Incorporated (GE Life), later known as ATR Professional Life Assurance Corporation (ATR).[4] On June 8, 1999, Loyola applied with ATR for a Group Creditors Life Insurance plan, with Group Yearly Renewable Term Life and Accidental Death Benefit as supplementary benefits.[5] They entered into a Group Creditors Life Insurance Agreement,

---

[1] *Rollo* (G.R. No. 228402), pp. 21-46; *Rollo* (G.R. No. 222912), pp. 10-20.

[2] Penned by Associate Justice Zenaida T. Galapate-Laguilles, with the concurrence of Associate Justices Mariflor P. Punzalan Castillo and Florito S. Macalino; *id.* at 52-60.

[3] *Id.* at 63-64.

[4] *Id.* at 53-54, 129.

[5] *Id.* at 85.

effective on June 15, 1999, under Master Policy No. GCL-878.[6]

On April 28, 2000, Dwight L. Lumiqued (Dwight), husband of Angelita Lumiqued (Angelita), purchased a Timeplan from Loyola payable in 120 monthly installments in the amount of ₱5,040.00 per month. To pay for the first monthly premium, Dwight issued two Metrobank checks in the amounts of ₱2,824.75 and ₱600.00 under Check Nos. 1200011493 and 1200114994, respectively. He also paid in cash ₱1,615.25. Simultaneous with the payment of the first monthly premium, Dwight executed Timeplan Application No. OT-00381071[7] for which Timeplan Contract No. GGG430004785[8] was issued.[9] He was then issued an Official Receipt,[10] which expressly states:

This Receipt is valid for downpayment only. Checks and other similar forms shall be valid only when cleared by the Bank.[11]

Belen Edith C. Ganit (Ganit), Loyola's Sales Operation Assistant, deposited on the same day the two Metrobank checks while the cash payment was deposited to the account of Loyola on May 2, 2000.[12]

On May 1, 2000, Dwight died due to multiple stab wounds.[13]

Thereafter, Angelita filed a claim to recover the proceeds of the insurance benefits through Loyola's broker, Network Unlimited, Inc. However, in a letter[14] dated April 17, 2001,

---

[6] *Rollo* (G.R. No. 222912), pp. 146-148.

[7] *Id.* at 140.

[8] *Id.* at 141.

[9] *Id.* at 224.

[10] *Id.* at 140.

[11] *Id.*

[12] *Rollo* (G.R. No. 228402), pp. 53, 123-124.

[13] *Id.* at 125.

[14] *Id.* at 128.

ATR denied the claim on the ground that the initial installment payment was not completed.[15] Loyola asked for a reconsideration, insisting that the Timeplan Dwight obtained was already in full force and effect upon payment of the premium on April 28, 2000.[16]

On October 16, 2001, ATR, through its Vice President of Legal and Compliance, denied Angelita's claim, reiterating its position that payment of the premium had not been completed.[17] ATR also invalidated Dwight's application as his signature appearing therein was allegedly forged.[18] To bar Angelita from further pursuing any claim for the insurance benefits, ATR instituted a complaint[19] to declare the individual insurance coverage of Dwight under Master Policy No. GCL-878 void and of no effect at the time of his death on May 1, 2000. ATR also prayed for the payment of attorney's fees, litigation expenses, and costs of suit.[20]

In Loyola's Answer with Compulsory Counterclaim,[21] which was adopted *in toto* by Angelita,[22] Loyola argued that: (1) Dwight's signature appearing in his Timeplan application was not forged;[23] and (2) Dwight paid in full the first installment of the insurance premium in the amount of ₱5,040.00 on April 28, 2000, prior to his death.[24] Loyola added that ATR cannot escape paying the proceeds under the Group Creditors Life Insurance in the amount of ₱599,760.00, Group Yearly

---

[15] *Id.* at 53.

[16] *Rollo* (G.R. No. 222912), pp. 151-152.

[17] *Id.* at 65-66.

[18] *Id.*

[19] *Rollo* (G.R. No. 228402), pp. 92-97.

[20] *Id.* at 97.

[21] *Id.* at 129-151.

[22] *Id.* at 153.

[23] *Id.* at 140.

[24] *Id.* at 143-144.

Renewable Term Life in the amount of ₱604,800.00, and the Accidental Death Benefit in the amount of ₱604,800.00 by insisting that Dwight was murdered. Loyola pointed out that ATR failed to give any evidence to support its claim that Dwight was murdered and not a victim of homicide.[25] Thus, Loyola and Angelita prayed that ATR be directed to comply with its obligations under the Group Creditors Life Insurance Agreement by paying ₱1,809,360.00 in actual damages. In addition, Loyola and Angelita prayed that judgment be rendered ordering ATR to pay moral damages, and exemplary damages. Attorney's fees, litigation expenses, and costs of suit were also prayed for.[26]

Ruling of the Regional Trial Court

On July 7, 2011, the RTC rendered its Decision,[27] the dispositive portion of which reads:

> WHEREFORE, the Court renders judgment:
>
> 1. DISMISSING the Complaint of plaintiff;
>
> 2. HOLDING plaintiff ATR Professional Life Insurance Corporation, now the Asian Life and General Assurance Corporation, liable for defendants' counterclaim. Plaintiff is ordered to:
>
> a. Pay to defendant Angelita Lumiqued actual damages in the amount of ₱1,809,360;
>
> b. Pay to defendants Loyola Plans Inc. and Angelita Lumiqued moral damages in the amount of ₱100,000;
>
> c. Pay to the defendants exemplary damages in the amount of ₱100,000;
>
> d. Pay to the defendants attorney's fees in the amount of ₱100,000;
>
> e. Pay to the defendants the costs of suit.

---

[25] *Id.* at 145-146.

[26] *Id.* at 150-151.

[27] Penned by Presiding Judge Rico Sebastian D. Liwanag; *id.* at 155-169.

SO ORDERED.[28] (Emphasis omitted)

The RTC held that Dwight timely paid the premium of the policy. Since the agreement and the official receipt state that the insurance coverage of a planholder shall take effect on the date of initial payment and/or down payment on the Timeplan, the RTC ruled that the date of receipt by the agent of Loyola of the down payment on April 28, 2000 is also the date of payment of the premium.[29] The RTC also found that ATR's allegation of forgery was a mere afterthought.[30] The RTC noted that it was only on September 22, 2001, or almost 18 months after the death of the Dwight, that the genuineness of his signature was assailed for the first time.[31]

The RTC computed the actual damages as follows:

Group Creditors Life Insurance	₱599.760.00(outstanding balance net of the first installment paid)
Group Yearly Renewable Term Life	604,800.00 (the gross contract price)
Accidental Death Benefit	604,800.00 (the gross contract price)
TOTAL	₱1,809,360.00[32]

The RTC also awarded ₱100,000.00 as moral damages for ATR's bad faith and ₱100,000.00 as exemplary damages for not honoring its obligation. Attorney's fees in the amount of ₱100,000.00 was also found to be reasonable.[33]

---

[28] *Id.* at 168-169.

[29] *Id.* at 165-166.

[30] *Id.* at 166.

[31] *Id.* at 167.

[32] *Id.* at 167.

[33] *Id.* at 168.

Ruling of the Court of Appeals

On February 4, 2016, the CA rendered its Decision,[34] the dispositive portion of which reads:

> **WHEREFORE,** premises considered, the instant Appeal is hereby **DENIED.** The assailed Decision dated 7 July 2011 of the Regional Trial Court, Branch 136, Makati City in Civil Case No. Q-01-1665 is hereby **AFFIRMED** with **MODIFICATION** by holding appellant liable to pay the heirs or beneficiaries listed in the insurance policy Plan Benefit in the amount of ₱992,000.00. Actual damages awarded in the aggregate amount of ₱1,809,360.00 including the damages for moral and exemplary as well as attorney's fees each in the sum of ₱100,000.00 are hereby **DELETED.**
>
> **SO ORDERED.**[35] (Emphasis in the original)

The CA held that the partial payment of the premium rendered the policy in full force and effect. This is expressly provided in the terms of the policy.[36] The CA declared that the assumption of risk by ATR started from the moment of the initial down payment on the premium through the payment of checks and the cash received by Loyola's agent, as reflected in the Official Receipt issued to Dwight on April 28, 2000.[37]

The CA explained that, though delivery of the checks does not immediately effect payment, it simply suspends the action arising from the original obligation until payment is accompanied either actually or presumptively. The payment of the premium on the policy thus became an independent obligation, the non-fulfillment of which would entitle the insurer to recover. The CA opined that the insurer could just deduct the premium due

---

[34] *Supra* note 2.

[35] *Rollo* (G.R. No. 228402), p. 60.

[36] *Id.* at 55-56.

[37] *Id.* at 57.

and unpaid upon the satisfaction of the loss under the policy. It does not have a right to cancel the policy. It could place the insured in default in case of such and give the latter personal notice to that effect.[38]

The CA also did not find any merit to ATR's claim that Dwight's application was forged. The testimony confirming the genuineness of Dwight's signature by the Philippine National Police handwriting examiner Mely Feliciano Sora was given full credence.[39] Likewise, the CA believed Jacobo Gumiran's (Gumiran) statement that he personally witnessed Dwight affix his signature in the application and even admitted receiving the down payment.[40]

The CA deleted the award of actual damages in the amount of ₱1,809,360.00, stating that the Timeplan contract specifically provides payment of ₱992,000.00 as plan benefit only. The CA did not find sufficient evidence to prove that the policy in question falls within the categories of Group Creditors Life Insurance and Group Yearly Renewable Term Life or that the death of Dwight was accidental in order for him to be entitled to ₱1,809,360.00.[41]

The moral and exemplary damages awarded were deleted as the CA found that ATR did not commit any fraudulent act nor employ bad faith. The CA also removed the award of attorney's fees as the RTC decision did not state the reason why it was awarded.[42]

On March 16, 2016, ATR filed its petition for review on *certiorari* docketed as G.R. No. 222912,[43] claiming that it is

---

[38] *Id.*

[39] *Id.* at 58.

[40] *Id.*

[41] *Id.* at 58-59.

[42] *Id.* at 59-60.

[43] *Rollo* (G.R. No. 222912), pp. 10-21.

not liable to pay the heirs of Dwight because: (1) Dwight did not complete the monthly premium payment prior to his death because the cash payment of ₱1,615.25 was only deposited on May 2, 2000;[44] (2) the Timeplan application of Dwight is forged;[45] and (3) murder is not among the risks covered by the Group Creditors Life Insurance Agreement.[46]

In its Comment[47], Loyola pointed out that ATR's petition is premature because the CA had not yet resolved Loyola's Motion for Reconsideration[48] to the Decision of the CA. Loyola proposed that the case be remanded to the CA for the final disposition of the Motion for Reconsideration.[49]

Thereafter, in a Resolution[50] dated November 17, 2016, the CA denied the Motion for (Partial) Reconsideration Loyola filed.

Meanwhile, in the petition filed on January 11, 2017 docketed as G.R. No. 228402, Loyola emphasized that the records, including documentary evidence and pleadings submitted by ATR, recognize that the policy in question is entitled to the Group Creditors Life Insurance and the Group Yearly Renewable Term Life benefits Loyola obtained under Master Policy No. GCL-878.[51] Loyola also highlighted that the amount of ₱1,809,360 was stipulated by the parties and that the specific amount of loss need not be proven.[52] Loyola further argued

---

[44] *Id.* at 18-19.

[45] *Id.* at 19-20.

[46] *Id.* at 20, 34-53.

[47] *Id.* at 234-235.

[48] *Rollo* (G.R. No. 228402), pp. 65-82.

[49] *Rollo* (G.R. No. 222912), p. 235.

[50] *Supra* note 3.

[51] *Rollo* (G.R. No. 228402), pp. 31-36.

[52] *Id.* at 37.

that the CA erred in deleting the award of moral and exemplary damages despite the trial court's finding of bad faith on the part of ATR and its failure to honor its obligation.[53] Contrary to the ruling of the CA, Loyola averred that the award of attorney's fees is justified because it was clearly stated in the RTC decision that ATR filed an unfounded suit.[54]

On January 18, 2017, the Court issued a Resolution ordering that G.R. No. 228402 and G.R. No. 222912 be consolidated as both cases assail the same Decision of the CA in CA-G.R. CV No. 97528.

In its Comment[55] in G.R. No. 228402, ATR insisted that the amount paid by Dwight should be treated only as a deposit and not a premium payment because the cash payment of ₱1,615.25 was deposited on May 2, 2000, making the first installment not fully paid.[56] Because the downpayment in the amount of ₱5,040.00 was not fully paid on its due date, April 28, 2000, ATR reiterated its position that the policy is not valid and binding.[57] ATR also maintained that it is not liable because "[m]urder or provoked assault; or any attempt thereat" are among the exclusions of the policy.[58] Moreover, ATR insisted that it has substantially proven that Dwight's Timeplan application was forged.[59]

In its Reply,[60] Loyola essentially restated its substantive arguments to support its position.

---

[53] *Id.* at 38-41.

[54] *Id.* at 41-46.

[55] *Id.* at 197-204.

[56] *Id.* at 198-199.

[57] *Id.* at 199-200.

[58] *Id.* at 200.

[59] *Id.*

[60] *Id.* at 215-239.

Issues

The issues to be resolved are:

1. Whether Dwight's Timeplan application was forged;
2. Whether an insurance contract was perfected between Dwight and ATR on April 28, 2000 when Dwight paid Loyola's agent, Gumiran, cash in the amount of ₱1,615.25 and two checks amounting to ₱2,824.75, and ₱600.00, thus entitling his heirs to the proceeds of the policy following his death on May 1, 2000;
3. Whether the cause of Dwight's death is a risk covered by the Timeplan contract;
4. Whether Dwight's Timeplan contract is entitled to the Group Creditors Life Insurance and the Group Yearly Renewable Term Life benefits obtained by Loyola; and
5. Whether the CA correctly deleted the award of moral damages, exemplary damages, and attorney's fees.

Ruling of the Court

ATR failed to sufficiently establish that Dwight's Timeplan application was forged.

It is well-settled that allegations of forgery, like all other allegations, must be proved by clear, positive, and convincing evidence by the party alleging it. It should not be presumed but must be established by comparing the alleged forged signature with the genuine signatures. Although handwriting experts are often offered as witnesses, they are not indispensable because judges must exercise independent judgment in determining the authenticity or genuineness of the signatures in question.[61]

---

[61] *Francisco Lim v. Equitable PCI Bank*, now known as Banco De Oro Unibank, Inc., 724 Phil. 461 (2014).

In this case, to prove forgery, ATR relied on the Report[62] of retired Chief Document Examiner of the National Bureau of Investigation, Atty. Desiderio A. Pagui (Atty. Pagui), who concluded that:

FINDINGS-CONCLUSION:

The questioned signature "Dwight L. Lumiqued" in carbon-original appears inherent defect in line quality which comparing scientifically with standard signatures, **assuming that they are authentic copies of the originals,** which though the latter are undoubtedly clear copies reflecting free flowing execution of the writing strokes reveals inconsistency in line qualities with the former. As consequence, **while the original of questioned document is preferably the most desired to be examined,** the available signatures would show significant differences in handwriting characteristics between said questioned and standard signatures. Using those that are available as aforesaid, the questioned and standard signatures could have not been affixed by one and the same person.[63] (Emphasis supplied)

Noticeably, the language used by Atty. Pagui in his findings is not definitive and cannot be considered a reliable examination of the genuineness of Dwight's signature. While it concludes that the questioned and standard signatures could not have been affixed by one and the same person, this conclusion is made on the assumption that the standard signatures provided by ATR are authentic copies of the originals. Moreover, only the carbon-original copy of Dwight's questioned document was examined, not the original questioned document bearing his signature. Atty. Pagui admitted that the original copy of the document where the questioned signature appears is "preferably the most desired to be examined." Even Mely Feliciano Sora, Chief of the Questioned Document Examination Division of the Philippine National Police Crime Laboratory, opined that it is impossible to conduct a reliable handwriting examination of Dwight's signature appearing on the Timeplan Application. According to her, the Application is a mere carbon original wherein the

---

[62] *Rollo* (G.R. No. 222912), p. 67.

[63] *Id.*

minute details are not clear.[64] Moreover, it must be stressed that ATR hired Atty. Pagui to prepare the report. Thus, the CA was correct in not giving credence to Atty. Pagui's testimony because his report is susceptible to bias and prejudice.[65] Given the unreliable quality of the available sample signatures of Dwight in the records, the Court is inclined to refuse conducting an independent examination of the genuineness of his signature in the disputed Timeplan application.

Nevertheless, the Court finds Gumiran's admission that he personally witnessed Dwight affix his signature in the application sufficient to rebut the allegation of forgery. Between the unreliable findings of Atty. Pagui and the sworn statement of Gumiran, the Court is inclined to give more credence to the latter.

The Court also agrees with the observation of the lower courts that the allegation of forgery is a mere afterthought. It was only on September 22, 2001, or almost 18 months after the death of Dwight, that ATR belatedly assailed for the first time the genuineness of his signature. ATR's timing in raising the allegation of forgery is suspicious and questionable.[66] Thus, the Court is convinced that the signature of Dwight appearing in his Timeplan application is genuine.

Dwight timely paid the initial monthly premium for the Timeplan on April 28, 2000 to Loyola who is an agent of ATR. Hence, an insurance contract was perfected.

A contract of insurance is defined as an agreement whereby one undertakes for a consideration to indemnify another against loss, damage, or liability arising from an unknown or contingent event.[67] An insurance contract exists where the following

---

[64] *Rollo* (G.R. No. 228402), p. 165.

[65] *Id.* at 58.

[66] *Id.*

[67] INSURANCE CODE, Sec. 2(a).

elements concur: (1) the insured has an insurable interest; (2) the insured is subject to a risk of loss by the happening of the designated peril; (3) the insurer assumes the risk; (4) such assumption of risk is part of a general scheme to distribute actual losses among a large group of persons bearing a similar risk; and (5) in consideration of the insurer's promise, the insured pays a premium.[68] In the case of *Perez v. Court of Appeals,*[69] the Court held that assent is given when the insurer issues a corresponding policy to the applicant. The Court declared that "[i]t is only when the applicant pays the premium and receives and accepts the policy while he is in good health that the contract of insurance is deemed to have been perfected."[70]

The fact that Dwight was only able to make an initial payment of the insurance premium and that Loyola failed to immediately remit cash portion of the initial payment to ATR should not affect the validity of the perfected insurance contract.

Furthermore, ATR agreed to insure all present and future planholders of Loyola. The pertinent provisions in Master Policy No. GCL-878 on payment of premium and effectivity of policy read:

DATE OF EFFECTIVITY OF INDIVIDUAL INSURANCE

The insurance coverage of all present and future eligible PLANHOLDER shall become effective **on the latest of the following dates.**

1. the date the contract of agreement with the CREDITOR is legally perfected; or
2. the date of the initial payment and/or down payment;
3. the date written application is accomplishment (sic); or
4. the date of approval by the COMPANY of evidence of insurability, if required; or
5. the date the COMPANY received the corresponding premium.[71]

---

[68] *Philamcare Health Systems, Inc. v. Court of Appeals*, 429 Phil. 82, 89 (2002).

[69] 380 Phil. 592, 599 (2000).

[70] *Id.*

[71] *Rollo* (G.R. No. 222912), p. 39.

x x x x x x x x x

PAYMENT OF PREMIUMS

The initial premium for each benefit provided in the Policy shall be stated in the SCHEDULE OF PREMIUM RATES provision applicable to said benefit. All premium on this Policy are payable in advance directly to the Home Office of the Company or to a duly authorized Agent of the Company.

Payment of premiums whether monthly, quarterly, semi-annually, or annually are payable as they become due according to the mode of premium payment. Any change in the mode of premium payments may be affected only at the beginning of any Policy year. No premium payment shall maintain this Policy in force beyond the date when the next premium becomes due, except as provided in the Grace Period provision herein.[72]

x x x x x x x x x

EFFECTIVE DATE

The **coverage of insurable PLANHOLDER shall take effect on the date of initial payment and/or down payment on the selected plan (as shown in the Binding Deposit Receipt).** However, the Company reserves the right to require a PLANHOLDER to submit Evidence of Insurability even the coverage does not exceed the Non-Medical Limit.

REPORTING OF INSURED PLANHOLDERS

x x x x x x x x x

Applications for insurance must be submitted to GE LIFE within seven (7) working days from the date of initial/ first payment of the Plan holders together with the list of Certificate issued. **Effective Date shall coincide with the date of first payment if complied with.** However, GE LIFE will not be held liable for Certificates issued not reported for coverage within the said 7-working day period.[73] (Emphasis supplied)

---

[72] *Id.* at 46.

[73] *Id.* at 50.

Noticeably, the date of effectivity of individual insurance provision contains conflicting terms that are susceptible to different interpretations. While the policy states that it shall become effective on the "latest" of a list of dates, the use of the conjunction "or" suggests that there are options and that any of the options chosen can give rise to the effectivity of the individual insurance. Meanwhile, in the clause pertaining to the "EFFECTIVE DATE" of the policy, it clearly states that "[t]he coverage of insurable PLANHOLDER shall take effect on the date of initial payment and/or down payment on the selected plan (as shown in the Binding Deposit Receipt)."[74]

The contract between ATR and Loyola is a contract of adhesion as it was prepared solely by ATR for Loyola and its planholders to conform to. Any ambiguity in a contract of adhesion is construed strictly against the party that prepared it. In this case, the obscure provision pertaining to the date of effectivity of the policy coverage should be resolved in favor of Angelita. Thus, the happening of any of the instances enumerated should suffice in giving rise to the effectivity of the individual insurance. This interpretation is more consistent with the other provisions of the policy such as the clause on the "EFFECTIVE DATE" of the policy.

ATR argues that the date of receipt of payment of premium is the date when the cash was actually deposited in the bank. The Court finds this proposition contrary to logic and unreasonable.

Here, it is undisputed that at 10:34 am on April 28, 2000, Loyola's Sales Operation Assistant deposited the two Metrobank checks at Metrobank Solano, Nueva Viscaya branch. However, instead of immediately depositing the cash payment of ₱1,615.25, Loyola used the money and waited until May 2, 2000, the next banking day which fell on a Tuesday, to deposit the remainder of the initial payment of Dwight.[75] By then, Dwight had already

[74] *Id.*

[75] *Rollo* (G.R. No. 228402), pp. 53, 123-124.

passed away due to the multiple stab wounds he sustained on May 1, 2000. Loyola admitted that the delay in the deposit of the ₱1,615.25 cash was due to its district office's immediate need for cash.[76]

It is important to clarify that Loyola is an agent of ATR. In a contract of agency, "a person binds himself to render some service or to do something in representation or on behalf of another, with the consent or authority of the latter."[77] Therefore, a planholder's payment made to Loyola has the same legal effect as payment made to ATR, even if Loyola failed to immediately deposit the cash payment to its account.

In the case of *Bank of the Philippine Islands v. Laingo*,[78] the Court held that the Bank of the Philippine Islands (BPI) acted as agent of FGU Insurance with respect to the insurance feature of its commercial product, a savings account which offered insurance coverage for free for every deposit account opened. The controversy in *Laingo* involved the alleged non-compliance with the requirement of submitting a written notice of insurance claim to FGU Insurance within three calendar months from the death of the insured. The beneficiary of the policy contended that BPI did not notify her of the attached insurance policy yet allowed her to withdraw from the savings account after the death of the insured. In ruling that it was incumbent upon BPI, as agent of FGU Insurance, to give proper notice of the existence of the insurance coverage and the stipulation in the insurance contract for filing a claim, the Court observed that the account holder directly communicated with BPI as the agent of FGU Insurance. BPI facilitated the processing of the deposit account, collection of necessary documents, and the endorsement for the approval of the insurance coverage without any other action on the part of the account holder. FGU Insurance did not interact directly with the account holder and all communications were coursed through BPI.[79]

---

[76] *Rollo* (G.R. No. 222912), p. 73.

[77] Civil Code Of The Philippines, Art. 1868.

[78] 783 Phil. 466 (2016).

[79] *Id.*

While the facts and issue surrounding the case of *Laingo* is different from the case at bar, the ruling of the Court still finds applications to the present case. The relationship between BPI and FGU Insurance in the *Laingo* case is similar to the arrangement between Loyola and ATR in the present case. Loyola offered its Timeplan product with a life insurance feature to entice customers to invest their money. Loyola secured Master Policy No. GCL-878 from ATR to insure all of its future planholders. Customers who intend to avail the Timeplan of Loyola do not transact with ATR and merely submit all the requirements, including the payment of premiums, to Loyola. As such, it is apparent that Loyola acted as agent of ATR with respect to the insurance feature of its Timeplan product. The collective conduct of Loyola, as an agent of ATR, in accepting from Dwight the initial payment, issuing the corresponding Official Receipt,[80] and delivering the pre-signed Timeplan contract reveal that a contract of insurance was perfected. The acts of Loyola, as an agent of ATR, binds the latter.

The effectivity of the Timeplan cannot be left to the will of Loyola and ATR. This arrangement will leave Dwight in a helpless position where the implementation of the contract is put on hold and made dependent upon the will of Loyola and ATR despite having complied with his contractual obligations. Moreover, the Official Receipt[81] Gumiran issued to Dwight clearly states:

> This Receipt is valid for down payment only. Checks and other similar forms shall be valid only when cleared by the Bank.[82]

As far as Dwight is concerned, his payment to Gumiran is considered his payment to Loyola and ATR for the initial monthly installment of the Timeplan even if the cash portion of his payment was not immediately deposited to Loyola's account.

---

[80] *Rollo* (G.R. No. 222912), p. 140.

[81] *Id.*

[82] *Id.*

Furthermore, upon payment of the premium, Dwight was issued a copy of the Timeplan contract that was pre-signed by Jesusa Puyat-Concepcion, President and Chief Executive Officer of Loyola, and Francisco D. Cauilan, Area Manager of Loyola.[83] Dwight's receipt of the Timeplan contract, while he was in good health, signifies that the contract was perfected. The delivery of the corresponding Timeplan contract signifies the perfection of the contract between him and Loyola.

More importantly, it must be clarified that, while the first monthly installment due from Dwight is ₱5,040.00, the insurance premium payable to ATR is only a fraction of said installment payment. The breakdown of the cost allocation of the installment values made on the plan of Dwight indicates that the insurance premium payable to ATR is only ₱447.55. Pursuant to the Certification of Distribution of Monthly Installments[84] as of April 28, 2000 Loyola issued, the breakdown of the initial payment is as follows:

Installment Amount	1st Month 5,040
Filing fee	50.40
Documentary stamp	252.00
10% VAT	403.20
Commission/ Overrides	2,166.66
Collection fee	0.00
Bonuses	140.11
Other expenses (GAE)	504.00
Insurance cost	447.55
Trust fund deposit	1,008.00
Total Expenses	**4,971.92**
Remainder of Installment	**68.08**[85]

[83] *Id.* at 141.

[84] *Id.* at 99.

[85] *Id.*

Here, it is readily apparent that the amount Loyola received from Dwight is more than enough to cover the ₱447.55 insurance cost. The cash payment of ₱1,615.25 alone was more than sufficient to pay for the insurance cost payable to ATR yet the employees of Loyola opted to delay depositing it and used it for other purposes not intended by the parties. The insurance coverage of Dwight should not be adversely affected by Loyola's delay.

The cause of Dwight's death is a risk covered by the Timeplan contract.

ATR argues that the cause of Dwight's death is an excluded risk because he was murdered. The Exclusions Clause of Master Policy No. GCL-878 states:

No benefit shall be payable for any loss resulting from or caused directly or indirectly, wholly or partially, by:

x x x x x x x x x

10. Murder or provoked assault; or any attempt thereat; or

x x x x x x x x x[86]

Noticeably, the records are bereft of any circumstance showing that the fatal stabbing of Dwight is a product of the crime of murder. The Investigation Report of ATR states:

Since the coverage was only 3 days from the effective date, I went to Nueva Vizcaya to have this case investigated. I found out, however, that the insured died actually on May 1, 2000 at about 2:30 in the morning. **He was stabbed to death by his brother in law Joemar Tallud after trying to pacify Joemar and his wife Angelita quarelling *(sic)* over real property inheritances.** A case was already filed against Joemar Tallud at the Regional Trial Court in Bayombong, Nueva Vizcaya.[87] (Emphasis supplied)

From the foregoing, it is clear that, though Dwight died as a result of stab wounds inflicted by his brother-in-law Joemar

[86] *Id.* at 42.

[87] *Rollo* (G.R. No. 228402), p. 87.

Tallud (Joemar), nothing in the Investigation Report suggests that he was murdered or that he died due to a provoked assault as understood in criminal law. The act of Joemar cannot be equated to murder or provoked assault without a final judgment from the court finding Joemar guilty beyond reasonable doubt. The conclusion of ATR, unsupported by any competent evidence, fails to persuade the Court that the cause of Dwight's death comes within the purview of the exclusion clause of Master Policy No. GCL-878. Hence, ATR is not exempted from liability.

Dwight's Timeplan contract entitles him to the Group Creditors Life Insurance and the Group Yearly Renewable Term Life benefits obtained by Loyola.

The CA committed serious error in deleting the award of actual damages comprising the insurance benefits from the Group Creditors Life Insurance amounting to ₱599.760.00 and Group Yearly Renewable Term Life amounting to ₱604,800.00. The evidence on record and the pleadings submitted by ATR all show that Loyola obtained a Group Creditors Life Insurance from ATR, with supplementary Group Yearly Renewable Term Life and Accidental Death benefits, for its present and future planholders.[88]

The cover page of Master Policy No. GCL-878, where the dry seal of GE Life and the signature of its president & chief executive officer Eulogio A. Mendoza appear, specifically states:

MASTER POLICY NO.	:	GCL-878
POLICYHOLDER/ CREDITOR	:	LOYOLA TIMEPLAN
PLAN OF INSURANCE	:	**GROUP CREDITORS LIFE INSURANCE**
SUPPLEMENTARY BENEFITS	:	**GROUP YEARLY RENEWABLE TERM LIFE ACCIDENTAL DEATH BENEFIT**

[88] *Id.* at 85.

POLICY EFFECTIVE DATE	:	JUNE 15, 1999
PREMIUM DUE DATE	:	JUNE 15, 1999 & EVERY YEAR THEREAFTER
POLICY ANNIVERSARIES	:	JUNE 15, 2000 & EVERY YEAR THEREAFTER[89] (Emphasis supplied)

Master Policy No. GCL-878 enumerates the amount of insurance for each benefit as follows:

AMOUNT OF INSURANCE

Group Creditors Life Insurance	-	equal to the outstanding and unpaid balance of the gross contract price.
Term Life Group Yearly Renewable	-	equal to the original amount of gross contract price.
Accidental Death Benefit	-	equal to the original amount of gross contract price.[90] [Emphasis and underscoring in the original]

Throughout the text of Master Policy No. GCL-878, the listed benefits have been consistently mentioned and is deemed to cover all present and future eligible planholders of Loyola.[91] Even the Claims Committee Action Sheet reflecting ATR's denial of Angelita's claim confirm that Master Policy No. GCL-878 includes said benefits.[92] ATR never denied the inclusion of Dwight's Timeplan in Master Policy No. GCL-878. Thus, the RTC was correct in including the proceeds from those benefits

[89] *Rollo* (G.R. No. 222912), p. 34.

[90] *Id.* at 35.

[91] *Id.* at 39.

[92] *Rollo* (G.R. No. 228402), p. 89.

in computing the award of actual damages in the amount of ₱1,809,360 in favor of Angelita computed as follows:

Group Creditors Life Insurance	₱599.760.00 (outstanding balance net of the first installment paid)
Group Yearly Renewable Term Life	604,800.00 (the gross contract price)
Accidental Death Benefit	604,800.00 (the gross contract price)
TOTAL	₱1,809,360.00

<u>The CA committed error in deleting the award of moral damages, exemplary damages, and attorney's fees.</u>

Moral Damages

The RTC awarded moral damages to Loyola and Angelita after finding that ATR acted in bad faith in bringing a baseless suit against Loyola and Angelita.[93] However, the CA deleted the award in its decision. The Court finds that an award of moral damages in the amount of ₱50,000.00 is commensurate to the anxiety and inconvenience Angelita suffered for ATR's callous treatment of her claim for death benefits. Indeed, ATR reneged on its obligation to pay the proceeds from the policy Angelita is entitled to receive and intentionally delayed the procedure to claim through its unsubstantiated assertion that Dwight was murdered. It also did not escape the Court's attention that ATR belatedly assailed the genuineness of the Timeplan

---

[93] *Id.* at 168.

application of Dwight 18 months after his death. For the Court, these acts collectively show the intention of ATR to unduly prolong the process of claiming the benefits, thus justifying the award of moral damages in favor of Angelita.

Exemplary Damages

Article 2232 of the Civil Code provides that in a contractual or quasi-contractual relationship, exemplary damages may be awarded only if the defendant had acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.[94] Article 2234 of the Civil Code further requires that, to be entitled to exemplary damages, the claimant must show that he is entitled to moral, temperate, or compensatory damages.[95]

ATR undertook to insure Loyola's planholders upon the fulfillment of any of the instances enumerated in the "Date of Effectivity of Individual Insurance" clause of Master Policy No. GCL-878. Considering that ATR refused to honor the insurance coverage of Dwight's Timeplan, and unduly prolonged the procedure for claiming the benefits under the policy, the Court finds that the award of exemplary damages in the amount of ₱50,000.00 in favor of Angelita reasonable.

Attorney's Fees

The instances when attorney's fees may be awarded are enumerated in Article 2208 of the Civil Code which reads:

> Article 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:
>
> (1) When exemplary damages are awarded;
>
> (2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
>
> x x x x x x x x x
>
> (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;

---

[94] Civil Code Of The Philippines, Art. 2232.

[95] Civil Code Of The Philippines, Art. 2234.

(5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiffs plainly valid, just and demandable claim;

x x x x x x x x x

(11) In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered.

In all cases, the attorney's fees and expenses of litigation must be reasonable.[96]

The RTC was correct in awarding attorney's fees because exemplary damages were awarded and due to the length of the proceedings. In addition, the Court finds the civil action initiated by ATR unfounded and that its continued refusal to honor the insurance claim of Angelita under Master Policy No. GCL-878 justifies the award of attorney's fees in the amount of ₱50,000.00 in her favor.

Similarly, the Court finds that an award of attorney's fees in the amount of ₱50,000.00 in favor of Loyola and Angelita is proper due to the unfounded suit ATR filed against it and the length of the proceedings.

Interest

Lastly, award of interest in accordance with the Court's ruling in the case of *Nacar v. Gallery Frames*[97] is proper. In *Nacar,* the Court modified the imposable interest rates on the basis of Bangko Sentral ng Pilipinas Monetary Board Circular No. 799, which took effect on July 1, 2013, thus:

x x x x x x x x x

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

1. When the obligation is breached, and it consists in the payment of a sum of money, *i.e.,* a loan or forbearance of money, the interest due should be that which may have been stipulated in writing.

---

[96] CIVIL CODE OF THE PHILIPPINES, Art. 2208.

[97] 716 Phil. 267, 282-283 (2013).

Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be **6% *per annum*** to be computed from default, *i.e.,* from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the *discretion of the court* at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be **6% *per annum*** from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

And in addition to the above, judgments that have become final and executory prior to July 1, 2013, shall not be disturbed and shall continue to be implemented applying the rate of interest fixed therein.[98] (Emphasis and italics in the original; citations omitted)

Applying the guidelines in *Nacar* to the present case, 12% interest rate *per annum* shall be imposed on the principal amount due from the time of judicial demand, *i.e.,* from the time of the filing of the complaint, until June 30, 2013. Thereafter, from July 1, 2013, until full satisfaction of the monetary award, the interest rate shall be 6% *per annum.*

WHEREFORE, premises considered, the Decision dated February 4, 2016 and the Resolution dated November 17, 2016

---

[98] *Id.*

of the Court of Appeals in CA-G.R. CV No. 97528 are **MODIFIED.** ATR Professional Life Insurance Corporation, now Asian Life and General Assurance Corporation, is **ORDERED** to:

a. Pay Angelita Lumiqued actual damages in the amount of ₱1,809,360.00;

b. Pay Angelita Lumiqued moral damages in the amount of ₱50,000.00;

c. Pay Angelita Lumiqued exemplary damages in the amount of ₱50,000.00; and

d. Pay Loyola Plans Inc. and Angelita Lumiqued attorney's fees in the amount of ₱50,000.00 each.

In addition, ATR Professional Life Insurance Corporation, now Asian Life and General Assurance Corporation, is **DIRECTED** to pay interest of twelve percent (12%) *per annum* on the monetary award computed from the time of the filing of the complaint until June 30, 2013 and six percent (6%) *per annum* from July 1, 2013 until full satisfaction thereof.

SO ORDERED.

Leonen (Chairperson), Gesmundo, Zalameda, and *Gaerlan, JJ.,* concur.

THIRD DIVISION

[G.R. No. 228745. August 26, 2020]

CARLU ALFONSO A. REALIZA, *petitioner*, *vs.* **PEOPLE OF THE PHILIPPINES,** *respondent*.

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; CREDIBILITY; FACTUAL FINDINGS OF THE TRIAL COURTS WHICH INVOLVE CREDIBILITY ARE ACCORDED RESPECT. —** The well-established rule is that findings of the trial courts which are factual in nature and which involve credibility are accorded respect when no glaring errors; gross misapprehension of facts; or speculative, arbitrary and unsupported conclusion can be gathered from such findings. The determination by the trial court of the credibility of witnesses, when affirmed by the appellate court, is accorded full weight and credit as well as great respect, if not conclusive effect.
2. **ID.; ID.; DENIAL; ALIBI; FOR THE DEFENSE OF ALIBI TO PROSPER, THE ACCUSED MUST PROVE THAT HE WAS SOMEWHERE ELSE WHEN THE OFFENSE WAS COMMITTED AND THAT HE WAS SO FAR AWAY THAT IT WAS NOT POSSIBLE FOR HIM TO HAVE BEEN PRESENT AT THE PLACE OF THE CRIME WHEN IT WAS COMMITTED. —** Evidently, petitioner's defense of denial cannot be given more weight over the positive identification of eyewitnesses. Likewise, for the defense of alibi to prosper, the appellant (petitioner) must prove that he was somewhere else when the offense was committed and that he was so far away that it was not possible for him to have been physically present at the place of the crime or at its immediate vicinity at the time of its commission.
3. **CRIMINAL LAW; THEFT; ELEMENTS THEREOF. —** Under Article 308 of the RPC, the essential elements of theft are: (1) the taking of personal property; (2) the property belongs to another; (3) the taking away done with intent of gain; (4) the taking away was done without the consent of the owner; and (5) the taking away is accomplished without violence or intimidation against person or force upon things.
4. **ID.; ID.; CASE AT BAR. —** In the present case, all the elements of the crime of theft were successfully established by the prosecution. As found by the trial courts and upheld by the CA, petitioner took the rubber boots, frying pan and iron pot owned by Elfa without the latter's consent or permission. Petitioner retained the items which shows his intention to gain. It was also established that he entered the house of

Elfa without violence, intimidation or force upon things. Hence, the Court agrees with the CA in affirming both the RTC and MTCC finding petitioner guilty beyond reasonable doubt of the crime of theft.

5. ID.; R.A. NO. 10951; THE BASELINE AMOUNTS AND VALUES OF PROPERTY AND DAMAGE IS INCREASED TO MAKE THEM COMMENSURATE TO THE PENALTIES METED ON THE OFFENSES. — However, this Court modifies the penalty to be imposed upon petitioner pursuant to Section 81 of Republic Act (R.A.) No. 10951. On August 29, 2017, President Rodrigo Roa Duterte signed into law R.A. No. 10951 that sought, among others, to help indigent prisoners and individuals accused of committing petty crimes. It also increased the fines for treason and the publication of false news; and likewise increased the baseline amounts and values of property and damage to make them commensurate to the penalties meted on the offenses committed in relation to them. Basic wisdom underlies the adjustments made by R.A. No. 10951. Imperative to maintaining an effective and progressive penal system is the consideration of exigencies borne by the passage of time. This includes the basic economic fact that property values are not constant. To insist on basing penalties on values identified in the 1930s is not only anachronistic and archaic; it is unjust and legally absurd to a moral fault.

6. ID.; ID.; IMPOSABLE PENALTY. — [P]ursuant to Section 81 of R.A. No. 10951, any person found guilty of theft under Article 309 of the RPC, as amended, shall be punished by *arresto mayor* to its full extent, if the value of the thing stolen is over ₱500.00 but does not exceed ₱5,000.00. Considering that the value of the stolen items in this case amounted to ₱1,600.00, the penalty of *arresto mayor* from one month and one day to six months should be imposed upon petitioner.

7. ID.; COMMUNITY SERVICE ACT (R.A. NO. 11362); COMMUNITY SERVICE IN LIEU OF SERVICE IN JAIL; PENALTIES OF *ARRESTO MENOR* AND *ARRESTO MAYOR* MAY BE SERVED BY THE DEFENDANT BY RENDERING COMMUNITY SERVICE. — Under R.A. No. 11362, also known as the Community Service Act, the Court may, in its discretion,

and lieu of service in jail, require that the penalties of *arresto menor* and *arresto mayor* be served by the defendant by rendering community service in the place where the crime was committed, and under such terms as the court shall determine, taking into consideration the gravity of the offense and the circumstances of the case. x x x The above-mentioned law likewise provides that the privilege of rendering community service in lieu of service in jail shall only be availed once.

APPEARANCES OF COUNSEL

Clyde R. Naong for petitioner.
Office of the Solicitor General for respondent.

D E C I S I O N

GAERLAN, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court seeking the reversal of the July 20, 2016 Decision[2] and the October 17, 2016 Resolution[3] of the Court of Appeals (CA) in CA-G.R. CR No. 01185-MIN. The assailed CA Decision and Resolution affirmed the Decision[4] of the Regional Trial Court (RTC), 9th Judicial Region, Branch 6 of Dipolog City in Criminal Case No. 18037, which upheld the Judgment[5] of the Municipal Trial Court in Cities (MTCC), 9th Judicial Region, Branch 1, Dipolog City in Criminal Case No. A-36997, finding Carlu Alfonso A. Realiza (petitioner) guilty beyond reasonable doubt of the crime of theft defined and penalized under Article 308 in relation to Article 309 of the Revised Penal Code (RPC).

---

[1] *Rollo*, pp. 4-19.

[2] *Id.* at 40-48; penned by Associate Justice Ronaldo B. Martin, with Associate Justices Romulo V. Borja and Oscar V. Badelles, concurring.

[3] *Id.* at 48-49.

[4] *Id.* at 35-39; penned by Acting Presiding Judge Victoriano DL. Lacaya, Jr.

[5] *Id.* at 22-34; penned by Judge Chad Martin Paler.

The Facts

In an Information[6] dated May 20, 2011, petitioner was charged with the crime of Theft before the MTCC, Branch 1, Dipolog City in Criminal Case No. A-36997, the pertinent text of which states:

> On January 7, 2011 at around 1:00 o'clock in the afternoon in Sitio Lungkanad, Gulayon, Dipolog City, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, with intent to gain and without the knowledge and consent of ELFA L. BOGANOTAN, did then and there, willfully, unlawfully, and feloniously take, steal and carry away the rubber boots, iron pot, and frying pan belonging to the latter. As a result thereof, said ELFA L. BOGANOTAN suffered actual damages in the amount of One Thousand Six Hundred Pesos (₱1,600.00), which is the total value of the stolen items.
>
> Contrary to law.[7]

When arraigned, petitioner, assisted by counsel, entered a plea of "not guilty" to the charge. After the pre-trial conference, trial on the merits ensued.

The prosecution presented the testimonies of two witnesses, complainant Elfa Boganotan (Elfa) and her son, Kim Boganotan (Kim). Elfa testified that she is a resident of Lungkanad, Gulayon, Dipolog City. She alleged that on January 7, 2011, at around 1:00 p.m., petitioner stole from her house a pair of rubber boots, an iron pot, and a frying pan. The incident was relayed to her by Kim, who was present at the scene. Elfa narrated that when she returned home with her husband from Dipolog City, Kim informed them that petitioner entered their house and took several items. She further stated that while passing by petitioner's house on their way home, she saw petitioner playing with the items taken from their house. Elfa did not retrieve the items, but instead, reported the incident to the Dipolog Police Station, which led to the filing of the criminal case against petitioner. Meanwhile,

---

[6] *Id.* at 20.

[7] *Id.*

Kim testified that on January 7, 2011, at around 1:00 p.m., he saw petitioner enter their house and steal some personal items. He recounted that he was at the garden fronting their house with his younger brother, Pablo Boganotan, Jr. (Pablo), when the stealing took place. He also stated that they did not stop petitioner because the latter threatened to kill them. Kim informed their parents about the incident as soon as they arrived.[8]

On the other hand, petitioner denied the accusation against him. He averred that he lives in Lungkanad, Gulayon, Dipolog City, in the house owned by his parents, which is located about 80 to 100 meters away from Elfa's house. He claimed that on January 7, 2011, at around 12:30 p.m., he left his house to accompany his brother on board his motorcycle to Labrador, Polanco, Zamboanga del Norte, which took them 30 minutes to reach the place. From Labrador, Polanco, they proceeded to Montaño Food Sardines factory in Turno, Dipolog City to buy Spanish Sardines before returning home in Lungkanad. He asserted that he arrived home at around 3:00 p.m. and that he never saw Kim or his brother Pablo. Petitioner believed that the charge of theft against him was fabricated by Kim, Elfa, and his uncle George Realiza (George), who accused him of transferring the stone monument separating their respective landholdings. Moreover, he denied that he threatened Kim. Petitioner argued that he could not have entered Elfa's house to steal their belongings because he was in Labrador, Polanco at the time.[9]

Witness Salvador Eba, Jr. corroborated petitioner's testimony. He claimed that on January 7, 2011, at around 1:00 p.m., he was buying gasoline at Gumahad Store when he saw petitioner and his brother Ricky, riding a motorcycle going towards the direction of Labrador, Polanco, Zamboanga del Norte. Another witness for the defense, Rosemarie Hangcan, testified that she is the teacher of Kim. According to her, based on her Form 1 or School Register, which indicated the morning and afternoon

[8] *Id.* at 41.

[9] *Id.* at 42.

attendance of her students, Kim was inside the classroom at around 1:00 p.m. on January 7, 2011.[10]

The MTCC Ruling

After trial, the MTCC, Branch 1 of Dipolog City, rendered a Judgment finding petitioner guilty of the crime charged, to wit:

> **WHEREFORE**, premised on the foregoing discussion, the Court finds the accused, Carlu Alfonso A. Realiza, **GUILTY** beyond reasonable doubt of the crime of Theft defined and penalized under Article 308 of the Revised Penal Code in relation to Article 309 Paragraph 3 of the same Code and he is hereby sentenced to suffer the indeterminate penalty of imprisonment from **4 months and 21 days of Arresto Mayor Maximum in its Medium Period to 4 years and 2 months of Prision Correccional Medium**. The accused is further ordered to pay the private complainant the sum of One Thousand Six Hundred Pesos (₱1,600.00) representing the value of the stolen rubber boots, iron pot, and frying pan which are not recovered by the private complainant.
>
> **SO ORDERED.**[11] (Emphasis in the original)

Aggrieved, petitioner filed a Notice of Appeal. The case was then raffled to the RTC, Ninth Judicial Region, Branch 6, and was docketed as Criminal Case No. 18037.

The RTC Ruling

On March 4, 2014, the RTC promulgated its Decision,[12] the dispositive portion of which reads:

> **WHEREFORE**, finding no reversible error committed by the lower court, the judgment appealed from is hereby **AFFIRMED**.
>
> **IT IS SO ORDERED.**[13] (Emphasis in the original)

---

[10] *Id.* at 42-43.

[11] *Id.* at 33-34.

[12] *Id.* at 35-39.

[13] *Id.* at 39.

Still unsatisfied, petitioner filed a petition for review with the CA.

The CA Ruling

On July 20, 2016, the CA promulgated the assailed Decision,[14] which affirmed the RTC Decision *in toto*, thus:

> **WHEREFORE**, premises considered, the assailed Decision dated March 4, 2014 of the Regional Trial Court, Branch 6, Dipolog City which affirmed the Judgment dated November 12, 2012 rendered by the Municipal Trial Court in Cities, Branch 1, Dipolog City, finding petitioner Carlu Alfonso A. Realiza guilty beyond reasonable doubt of the crime of Theft defined and penalized under Article 308 in relation to Article 309 Paragraph 3 of the Revised Penal Code is **AFFIRMED**. The instant Petition for Review is hereby **DISMISSED** for lack of merit.
>
> **SO ORDERED.**[15] (Emphasis in the original)

Petitioner filed a motion for reconsideration, but the same was denied in a Resolution dated October 17, 2016.[16]

Hence, this petition.

Issue

Essentially, the issue is whether or not petitioner's guilt was established beyond reasonable doubt.

Our Ruling

The Court finds no merit in the petition.

The well-established rule is that findings of the trial courts which are factual in nature and which involve credibility are accorded respect when no glaring errors; gross misapprehension of facts; or speculative, arbitrary and unsupported conclusions can be gathered from such findings.[17] The determination by

---

[14] *Id.* at 40-48.

[15] *Id.* at 47-48.

[16] *Id.* at 48-49.

[17] *People v. Presas*, 659 Phil. 503, 511 (2011).

the trial court of the credibility of witnesses, when affirmed by the appellate court, is accorded full weight and credit as well as great respect, if not conclusive effect.[18]

Petitioner argues that Kim is not a credible witness and that his testimony is fabricated with lies, bias and animosity. He insists that the only reason he was charged of theft is because of the conflict between him and his uncle George, who accused him of moving the stone monument serving as the boundary between his area and that of his uncle. Petitioner contends that Elfa and her family, being the caretakers of George's portion of the property, merely fabricated their testimony against him.

In this case, the trial court gave full credence to Kim's testimony, who asserted that on January 7, 2011, at around 12:00 p.m., he arrived home from school and saw petitioner taking the personal belongings of Elfa. According to the CA, the positive and direct testimony of Kim that petitioner actually took their personal belongings proved too credible and strong to be ignored. Settled is the rule that findings of the trial courts which are factual in nature and which involve credibility of witnesses are accorded respect when no glaring errors, gross misapprehension of facts, or speculative, arbitrary and unsupported conclusions can be gathered from such findings.[19] Here, the evidence on record fully supports the trial court's factual finding, as affirmed by the CA.

Furthermore, with regard to petitioner's contention that he could not have committed theft as he was on his way to Labrador, Polanco, Zamboanga del Norte, the CA held that his defense of alibi is inherently weak. Although petitioner has proven that he was on his way to Labrador at 1:00 p.m. on January 7, 2011, it does not exculpate him from the crime imputed to him. The Court believes that petitioner had enough time to commit theft before he left Lungkanad, Gulayon. It must be stressed that Kim testified that he saw petitioner stealing items in their house when he arrived at around 12:00 p.m.

Evidently, petitioner's defense of denial cannot be given more weight over the positive identification of eyewitnesses.

---

[18] *People v. Sabadlab*, 679 Phil. 425, 438 (2012).

[19] *People v. Villamin*, 625 Phil. 698, 712-713 (2010).

Likewise, for the defense of alibi to prosper, the appellant (petitioner) must prove that he was somewhere else when the offense was committed and that he was so far away that it was not possible for him to have been physically present at the place of the crime or at its immediate vicinity at the time of its commission.[20]

Article 308 of the RPC defines theft as follows:

> Art. 308. *Who are liable for theft.* — Theft is committed by any person who, with intent to gain but without violence, against, or intimidation of persons nor force upon things, shall take personal of another without the latter's consent.

Under Article 308 of the RPC, the essential elements of theft are: (1) the taking of personal property; (2) the property belongs to another; (3) the taking away was done with intent of gain; (4) the taking away was done without the consent of the owner; and (5) the taking away is accomplished without violence or intimidation against person or force upon things.[21]

In the present case, all the elements of the crime of theft were successfully established by the prosecution. As found by the trial courts and upheld by the CA, petitioner took the rubber boots, frying pan and iron pot owned by Elfa without the latter's consent or permission. Petitioner retained the items which shows his intention to gain. It was also established that he entered the house of Elfa without violence, intimidation or force upon things. Hence, the Court agrees with the CA in affirming both the RTC and the MTCC finding petitioner guilty beyond reasonable doubt of the crime of theft.

However, this Court modifies the penalty to be imposed upon petitioner pursuant to Section 81 of Republic Act (R.A.) No. 10951.[22] On August 29, 2017, President Rodrigo Roa Duterte signed into law R.A. No. 10951 that sought, among others, to help indigent prisoners and individuals accused of committing petty crimes. It also increased the fines for treason and the

---

[20] *People v. Piosang*, 710 Phil. 519, 527-528 (2013).

[21] *Valenzuela v. People*, 552 Phil. 381, 397 (2007).

[22] Entitled "An Act Adjusting the Amount or the Value of Property and

publication of false news; and likewise increased the baseline amounts and values of property and damage to make them commensurate to the penalties meted on the offenses committed in relation to them.[23]

Basic wisdom underlies the adjustments made by R.A. No. 10951. Imperative to maintaining an effective and progressive penal system is the consideration of exigencies borne by the passage of time. This includes the basic economic fact that property values are not constant. To insist on basing penalties on values identified in the 1930s is not only anachronistic and archaic; it is unjust and legally absurd to a moral fault.[24]

Hence, pursuant to Section 81 of R.A. No. 10951, any person found guilty of theft under Article 309 of the RPC, as amended, shall be punished by *arresto mayor* to its full extent, if the value of the thing stolen is over ₱500.00 but does not exceed ₱5,000.00. Considering that the value of the stolen items in this case amounted to ₱1,600.00, the penalty of *arresto mayor* from one month and one day to six months should be imposed upon petitioner.

Under R.A. No. 11362,[25] also known as the Community Service Act, the Court may, in its discretion, and lieu of service in jail, require that the penalties of *arresto menor* and *arresto mayor* be served by the defendant by rendering community service in the place where the crime was committed, and under such terms as the court shall determine, taking into consideration the gravity of the offense and the circumstances of the case.

Damage on Which a Penalty is Based and the Fines Imposed under the Revised Penal Code, Amending for the Purpose Act No. 3815, Otherwise Known as "The Revised Penal Code," as Amended, Approved August 29, 2017.

[23] *People v. Mejares*, G.R. No. 225735, January 10, 2018.

[24] *Id.*

[25] Entitled "AN ACT AUTHORIZING THE COURT TO REQUIRE COMMUNITY SERVICE IN LIEU OF IMPRISONMENT FOR THE PENALTIES OF *ARRESTO MENOR* AND *ARRESTO MAYOR,* AMENDING FOR THE PURPOSE CHAPTER 5, TITLE 3, BOOK I OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE." Approved on August 8, 2019.

Section 3 of R.A. No. 11362 provides:

SECTION 3. Community Service. — Article 88a of Act No. 3815 is hereby inserted to read as follows:

ARTICLE 88a. Community Service. — The court in its discretion may, in lieu of service in jail, require that the penalties of *arresto menor* and *arresto mayor* be served by the defendant by rendering community service in the place where the crime was committed, under such terms as the court shall determine, taking into consideration the gravity of the offense and the circumstances of the case, which shall be under the supervision of a probation officer: Provided, That the court will prepare an order imposing the community service, specifying the number of hours to be worked and the period within which to complete the service. The order is then referred to the assigned probation officer who shall have responsibility of the defendant. x x x

Community service shall consist of any actual physical activity which inculcates civic consciousness, and is intended towards the improvement of a public work or promotion of a public service.

If the defendant violates the terms of the community service, the court shall order his/her re-arrest and the defendant shall serve the full term of the penalty, as the case may be, in jail, or in the house of the defendant as provided under Article 88. However, if the defendant has fully complied with the terms of the community service, the court shall order the release of the defendant unless detained for some other offense.

The privilege of rendering community service in lieu of service in jail shall be availed of only once.

Clearly, the judge may require that the penalties for *arresto menor* and *arresto mayor* be served by the petitioner by rendering community service in the place where the crime was committed. The above-mentioned law likewise provides that the privilege of rendering community service in lieu of service in jail shall only be availed once.

It must be emphasized that the imposition of the penalty of community service is still within the discretion of the Court and should not be taken as an unbridled license to commit minor offenses. It is merely a privilege since the offended cannot choose it over imprisonment as a matter of right. Furthermore,

in requiring community service, the Court shall consider the welfare of the society and the reasonable probability that the person sentenced shall not violate the law while rendering the service. With the enactment of R.A. No. 11362, apart from the law's objective to improve public work participation and promote public service, it is expected that the State's policy to promote restorative justice and to decongest jails will be achieved.

WHEREFORE, the Decision dated July 20, 2016 and the Resolution dated October 17, 2016 of the Court of Appeals, Cagayan de Oro City in CA-G.R. No. 01185-MIN, finding petitioner Carlu Alfonso A. Realiza **GUILTY** beyond reasonable doubt of the crime of theft is hereby **AFFIRMED with MODIFICATION** in that he is sentenced to suffer the penalty of community service in lieu of imprisonment. The Municipal Trial Court in Cities, 9th Judicial Region, Branch 1, Dipolog City, is hereby **DIRECTED** to conduct hearing to determine the number of hours to be worked by petitioner and the period within which he is to complete the service under the supervision of a probation officer assigned by the Court.

SO ORDERED.

Leonen (Chairperson), Gesmundo, Carandang, and *Zalameda, JJ.*, concur.

SECOND DIVISION

[G.R. No. 239906. August 26, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee*, *vs.* **XXX,**[*] *accused-appellant.*

---

[*] The identity of the victim or any information to establish or compromise her identity, as well as those of her immediate family or household members, shall be withheld pursuant to Republic Act No. (RA) 7610, "An Act Providing for Stronger Deterrence and Special Protection against Child Abuse,

SYLLABUS

1. **REMEDIAL LAW; CRIMINAL PROCEDURE; APPEALS; REVIEW OF RAPE CASES; THE COURT IS GUIDED BY WELL-ESTABLISHED PRINCIPLES.—** In this jurisdiction, the Court is guided by the well-established principles laid down in the disposition and review of rape cases, to wit: (1) the prosecution has to show the guilt of the accused by proof beyond reasonable doubt or that degree of proof that, to an unprejudiced mind, produces conviction; (2) the evidence for the prosecution must stand or fall on its own merits and cannot draw strength from the weakness of the evidence of the defense; (3) unless there are special reasons, the findings of trial courts, especially regarding the credibility of witnesses, are entitled to great respect and will not be disturbed on appeal; (4) an accusation for rape can be made with facility; it is difficult to prove but more difficult for the person accused, though innocent, to disprove; and (5) in view of the intrinsic nature of the crime of rape where only two persons are usually involved, the testimony of the complainant must be scrutinized with extreme caution.

2. **ID.; EVIDENCE; CREDIBILITY OF WITNESSES; THE TRIAL COURT'S OBSERVATIONS AND CONCLUSIONS THEREON DESERVE GREAT RESPECT AND ARE OFTEN ACCORDED FINALITY.—** Time and again, the Court has held that when the decision hinges on the credibility of witnesses and their respective testimonies, the trial court's observations and conclusions deserve great respect and are often accorded finality. The reason therefor is that the trial judge enjoys the peculiar advantage of observing first-hand the deportment of the witnesses while testifying and is, therefore, in a better position to form accurate impressions and conclusions

---

Exploitation and Discrimination, Providing Penalties for its Violation and for Other Purposes"; RA 9262, "An Act Defining Violence Against Women and Their Children, Providing for Protective Measures for Victims, Prescribing Penalties Therefor, and for Other Purposes"; Section 40 of Administrative Matter No. 04-10-11-SC, known as the "Rule on Violence against Women and Their Children," effective November 15, 2004; *People v. Cabalquinto*, 533 Phil. 703 (2006); and Amended Administrative Circular No. 83-2015 dated September 5, 2017, Subject: Protocols and Procedures in the Promulgation, Publication, and Posting on the Websites of Decisions, Final Resolutions, and Final Orders Using Fictitious Names/Personal Circumstances.

on the basis thereof. The trial judge can better determine if witnesses are telling the truth, being in the ideal position to weigh conflicting testimonies.

3. **ID.; ID.; THE COURT FROWNS UPON AFFIDAVITS OF DESISTANCE OR RECANTATION MADE AFTER CONVICTION.—** It is well settled that the Court frowns upon affidavits of desistance or recantation made after conviction of the accused. These affidavits deserve scant consideration. x x x In the instant case, AAA's affidavit of recantation was executed fifteen days after the judgment of conviction. Thus, it can be viewed as a mere afterthought and unreliable.

4. **CRIMINAL LAW; RAPE; PROPER IMPOSABLE PENALTY. —** However, the penalty to be imposed should be *reclusion perpetua* without eligibility for parole. AAA's age and the accused-appellant's relation with AAA qualified the crime of Rape which warrants the imposition of the death penalty under Article 266-B (1) of the RPC. But considering RA 9346 that prohibits the imposition of the death penalty, the correct penalty to be imposed is *reclusion perpetua* without eligibility for parole.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

D E C I S I O N

INTING, *J.*:

This is an appeal[1] from the Decision[2] dated November 24, 2017 of the Court of Appeals (CA) in CA-G.R. CR-HC No. 06589 which affirmed the Judgment[3] dated September 2, 2013

---

[1] See Notice of Appeal dated January 23, 2018, *rollo*, pp. 14-15.

[2] *Id.* at 2-13; penned by Associate Justice Myra V. Garcia-Fernandez with Associate Justices Ramon A. Cruz and Maria Elisa Sempio Diy, concurring.

[3] CA *rollo*, pp. 22-31; penned by Presiding Judge Ma. Lourdes A. Giron.

and the Order[4] dated October 22, 2013 of Branch 102, Regional Trial Court (RTC), [redacted] convicting XXX (accused-appellant) of the crime of Rape, defined and penalized under Article 266-A in relation to Article 266-B of the Revised Penal Code (RPC), as amended, and denying accused-appellant's Motion for New Trial.[5]

The Facts

The Information[6] charging accused-appellant with the crime of Rape reads as follows:

> That on or about the 12th day of June, 2009, in Quezon City, Philippines, the said accused, with force, threat and/or grave abuse of authority, did then and there willfully, unlawfully and feloniously have carnal knowledge of [AAA], a 14 year-old minor, and his daughter, with lewd design and against her will, to the damage and prejudice of said offended party.
>
> CONTRARY TO LAW.[7]

Upon arraignment, accused-appellant pleaded not guilty to the crime charged.[8] Trial ensued.

Version of the Prosecution

AAA is accused-appellant's daughter.[9] AAA's mother and accused-appellant are already separated. At the time the rape incident took place, AAA was living with accused-appellant together with her stepsister, CCC, and brother, DDD, while AAA's stepmother was working abroad.[10]

---

[4] Records, pp. 209-211.

[5] *Id.* at 182-186.

[6] *Id.* at 1-2.

[7] *Id.* at 1.

[8] *Id.* at 21.

[9] TSN, August 4, 2010, p. 6.

[10] *Id.* at 10-12.

AAA testified that accused-appellant had been molesting her since she was eight years old.[11] On June 12, 2009, accused-appellant was on day off from work. AAA and CCC, who was then nine years old, had lunch with accused-appellant, while DDD went out. Accused-appellant instructed AAA and CCC to go to sleep after lunch, both did. Shortly thereafter, accused-appellant entered the room. When CCC was already asleep, accused-appellant ordered AAA to watch pornographic videos. He told AAA to undress and lie down. He then inserted his penis into AAA's vagina. Fearful, AAA only managed to cry because accused-appellant threatened to hurt and send her out of their house.[12]

Later on the same day, AAA told her friend, EEE, what accused-appellant did to her. EEE narrated the incident to her mother. EEE's mother reported the rape incident to the *barangay*. Thereafter, the *barangay* officials went to AAA's house and accosted accused-appellant; they likewise summoned AAA to the *barangay* where she gave her statements.[13]

The Philippine National Police (PNP) and the Department of Social Welfare and Development caused AAA to be subjected to Genital Examination at the PNP Crime Laboratory.[14] Police Chief Inspector Dean C. Cabrera, MD (PCI Cabrera) conducted the examination on AAA and found that her hymen had "shallow healed lacerations" at 6 and 7 o'clock positions which means that the injury could have been sustained at least three to seven days prior to the examination. Moreover, the injury was caused by a penetration of a blunt and hard object, such as an erect penis, and AAA was possibly a victim of sexual abuse.[15]

---

[11] *Id.* at 8.

[12] *Id.* at 11-15.

[13] *Id.* at 16-19.

[14] Records, pp. 83-84.

[15] TSN, February 2, 2011, pp. 10-11, 17. See also the Medico-Legal Report No. R09-1173, *id.*

Version of the Defense

Accused-appellant denied the charge against him. He described AAA as a hard-headed child.[16] He often scolded AAA for frequently hanging out with her friends late at night and for having boyfriends, one after the other.[17] Prior to the alleged incident, accused-appellant scolded and hit AAA for stealing his ATM card. On June 11, 2009, he talked to the mother of AAA's friend, EEE, and the mother of AAA's boyfriend; he told them to avoid AAA.[18]

On June 12, 2009, accused-appellant brought his children to the mall, but AAA did not want to go with them. On June 13, 2009, he told his children that they would buy school supplies, but AAA again refused to go with them. On June 17, 2009, accused-appellant was resting when the *barangay* officials came to his house and invited him to go to the *barangay*. When he refused, the *barangay tanods* dragged him to the *barangay* hall and informed him that he would be jailed for raping AAA.[19]

Ruling of the RTC

On September 2, 2013, the RTC ruled that AAA's testimony was straightforward and in a manner typical of young victims of rape. It also held that when the victim's testimony is candid and corroborated by the physician's findings, there is sufficient evidence of the existence of carnal knowledge.[20] The dispositive part of the Judgment of the RTC reads:

> WHEREFORE, in view of the foregoing, judgment is hereby rendered finding the accused [XXX], GUILTY beyond reasonable doubt of the crime of Rape penalized under Article 266-A in relation to Article 266-B of the Revised Penal Code.

---

[16] TSN, September 21, 2011, p. 3.

[17] *Id.* at 5-8.

[18] *Id.* at 10-12.

[19] *Id.* at 13-15.

[20] CA *rollo*, p. 30.

Accordingly, said accused is hereby sentenced to suffer the penalty of Reclusion Perpetua and to indemnify private complainant [AAA] the amounts of ₱75,000.00 as civil indemnity, ₱50,000.00 as moral damages and ₱25,000.00 as exemplary damages.

SO ORDERED.[21]

On September 17, 2013, accused-appellant, through counsel, filed a Motion for New Trial[22] anchored on the *Sinumpaang Salaysay*[23] purportedly executed by AAA recanting her previous statements made against accused-appellant.

On October 22, 2013, the RTC issued an Order[24] denying the Motion for New Trial.

Aggrieved, accused-appellant elevated the case to the CA arguing that the RTC erred in relying on AAA's testimony which is incredible and far from common human experience; that AAA had a motive to concoct a lie against him because she bore grudges against him; that there was no evidence of sexual abuse; and that the RTC erred in not considering the affidavit of recantation executed by AAA.[25]

Ruling of the CA

On November 24, 2017, the CA affirmed accused-appellant's conviction. It found that all the elements of the crime charged are present as established by the clear and straight forward testimony of AAA and corroborated by the physician's testimony. The CA also held that a recantation of a vital witness is viewed with disfavor because it is exceedingly unreliable. There is also the possibility that intimidation or monetary considerations may have caused the recantation.[26] The CA affirmed the penalty

---

[21] *Id.* at 30-31.

[22] Records, pp. 182-186.

[23] *Id.* at 189-190.

[24] *Id.* at 209-211.

[25] CA *rollo*, pp. 65-70.

[26] *Rollo*, pp. 9-12.

imposed, but modified the damages awarded. The CA disposed of the case as follows:

> WHEREFORE, the appeal is DIMISSED. The decision of the Regional Trial Court of ██████ dated September 2, 2013 in Criminal Case No. Q-09-159438 finding accused-appellant [XXX] guilty beyond reasonable doubt of rape under Art. 266-A in relation to Art. 266-B of the Revised Penal Code, as amended, and imposing upon him the penalty of *Reclusion Perpetua* without eligibility for parole in Criminal Case No. Q-09-159438 is AFFIRMED with MODIFICATION as to the award of damages. Accused-appellant shall pay the victim AAA ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages, with legal interest on all the damages awarded at the rate of 6% per annum from the date of finality of this decision until fully paid.
>
> SO ORDERED.[27]

Insisting on his innocence, accused-appellant interposed the present appeal.

The People of the Philippines, through the Office of the Solicitor General (OSG), filed a manifestation stating that they are adopting the Appellee's Brief filed before the CA in lieu of a Supplemental Brief.[28] On the other hand, accused-appellant filed his Supplemental Brief[29] in support of the appeal.

The Issues

I

WHETHER ACCUSED-APPELLANT IS GUILTY BEYOND REASONABLE DOUBT OF THE CRIME OF RAPE.

II

WHETHER THE COURT OF APPEALS CORRECTLY AFFIRMED THE RTC IN DENYING THE MOTION FOR NEW TRIAL.

---

[27] *Id.* at 12-13.

[28] See Manifestation and Motion dated November 26, 2018, *id.* at 21-22.

[29] *Id.* at 33-50.

Accused-appellant mainly ascribes fault to the CA for upholding the RTC Order that denied his Motion for New Trial. He argues that the CA overlooked that the RTC did not set for hearing his Motion for New Trial. He further avers that the case was decided on the basis of AAA's testimony; thus, AAA's affidavit of recantation confirms his innocence of the crime charged.[30]

The Court's Ruling

The appeal has no merit.

At the onset, every appeal of a criminal conviction opens the entire record to the reviewing court which should itself determine whether or not the findings adverse to the accused should be upheld against him or struck down in his favor.[31] The burden of the reviewing court is really to see to it that no man is punished unless the proof of his guilt be beyond reasonable doubt.[32]

Accused-appellant is charged with the crime of Rape under Article 266-A in relation to Article 266-B of the RPC, as amended. Article 266-A defines the crime of Rape by sexual intercourse as follows:

> ART. 266-A. *Rape, When and How Committed*. — Rape is committed —
>
> 1. By a man who shall have carnal knowledge of a woman under any of the following circumstances:
>
> a. Through force, threat or intimidation;
>
> b. When the offended party is deprived of reason or is otherwise unconscious;
>
> c. By means of fraudulent machination or grave abuse of authority; and

---

[30] *Id.* at 44-45.

[31] *People v. Yagao*, G.R. No. 216725, February 18, 2019.

[32] *Id.*

d. When the offended party is under twelve (12) years of age or is demented, even though none of the circumstances mentioned above be present.

In this jurisdiction, the Court is guided by the well-established principles laid down in the disposition and review of rape cases, to wit: (1) the prosecution has to show the guilt of the accused by proof beyond reasonable doubt or that degree of proof that, to an unprejudiced mind, produces conviction; (2) the evidence for the prosecution must stand or fall on its own merits and cannot draw strength from the weakness of the evidence of the defense; (3) unless there are special reasons, the findings of trial courts, especially regarding the credibility of witnesses, are entitled to great respect and will not be disturbed on appeal; (4) an accusation for rape can be made with facility; it is difficult to prove but more difficult for the person accused, though innocent, to disprove; and (5) in view of the intrinsic nature of the crime of rape where only two persons are usually involved, the testimony of the complainant must be scrutinized with extreme caution.[33]

Time and again, the Court has held that when the decision hinges on the credibility of witnesses and their respective testimonies, the trial court's observations and conclusions deserve great respect and are often accorded finality.[34] The reason therefor is that the trial judge enjoys the peculiar advantage of observing first-hand the deportment of the witnesses while testifying and is, therefore, in a better position to form accurate impressions and conclusions on the basis thereof.[35] The trial judge can better determine if witnesses are telling the truth, being in the ideal position to weigh conflicting testimonies.[36]

---

[33] *People v. Alcazar*, 645 Phil. 181, 191-192 (2010), citing *People v. San Antonio, Jr.*, 559 Phil. 188, 201 (2007).

[34] *People v. Condes*, 659 Phil. 375, 386 (2011).

[35] *People v. Hermocilla*, 554 Phil. 189, 194 (2007), citing *People v. Maguikay*, 307 Phil. 605, 620 (1994).

[36] *People v. Ampo*, G.R. No. 229938, February 27, 2019.

In rape cases particularly, the conviction or acquittal of the accused most often depends almost entirely on the credibility of the complainant's testimony.[37] By the very nature of this crime, it is generally unwitnessed and usually the victim is left to testify for herself.[38] Her testimony is most vital and must be received with the utmost caution. Once found credible, her lone testimony is sufficient to sustain a conviction.[39]

After a careful scrutiny of the respective testimonies of AAA and accused-appellant, the Court finds AAA's testimony to be credible, truthful, and logical as opposed to the testimony of accused-appellant. AAA recounted the circumstances surrounding the rape incident that occurred on June 12, 2009; it is not flawed with inconsistencies or contradictions in its material points and unshaken by the tedious and grueling cross-examination. Her declaration revealed the logical circumstances and gave no impression whatsoever that her testimony was a mere fabrication. She was able to candidly testify at the witness stand, *viz.*:

On direct examination:[40]

Q: You said that your father started abusing you since you were in Grade I. How old were you then when your were in Grade I?
A: I was eight (8) years old, sir.

Q: And, you said that he continuously done this until June 12, 2009. How often was the abuse committed on you?
A: Very often, sir, almost everyday. For example, he did it today, tomorrow, he would do it again.

Q: He did it today. What did he do to you?
A: "Ginagalaw niya po ako."

---

[37] *People v. Espenilla*, 718 Phil. 153, 166 (2013), citing *People v. Bulagao*, 674 Phil. 535, 544 (2011).

[38] *People v. Sumingwa*, 618 Phil. 650, 663 (2009).

[39] *People v. Caratay*, 374 Phil. 590, 601 (1999), citing *People v. Reñola*, 367 Phil. 415, 423-424 (1994).

[40] TSN, August 4, 2010, pp. 8, 14-15.

Q: When you said "ginagalaw," what do you mean by that?
A: He was inserting his penis to my vagina.

x x x x x x x x x

Q: So, you said that on June 12, 2009, your father showed to you bold videos in his cellphone, and then, he asked you to undress, after you undressed yourself, what happened?
A: He inserted his penis to my vagina.

Q: Did you tell any body what has been done to you by your father?
A: None sir.

Q: Why?
A: He was threatening me that he would maul me and would send me out of the house if I told the incidents to anybody?

On cross-examination:[41]

Q: Okay, Now. After your father raped you, what happened?

A: He asked me to put my clothes on and told me not to tell anybody.

x x x x x x x x x

Q: So, when your father started to molest you, your sister was sleeping beside you?
A: Yes, sir.

Q: You said you were crying?
A: I went out of the room, went downstairs and cried inside the comfort room, sir.

Q: While your father was raping you, you were not crying?
A: I was also crying sir.

Q: Okay. Was your sister awakened by what your father was doing to you?
A: No sir.

The foregoing testimony of AAA contains badges of truth and sincerity. It is spontaneous and does not show any sign of

---

[41] TSN, September 22, 2010, pp. 20, 23-24.

fabrication. Even after questions propounded towards her were asked repeatedly during cross-examination, AAA proved to be very consistent in narrating her ordeal. When the offended party is of tender age and immature, courts are inclined to give credit to her account of what transpired, considering not only her relative vulnerability, but also the shame to which she would be exposed if the matter to which she testified is not true. Youth and immaturity are generally badges of truth and sincerity.[42] A young girl's revelation that she had been raped, coupled with her voluntary submission to medical examination and willingness to undergo public trial where she could be compelled to give out the details of an assault on her dignity, cannot be so easily dismissed as mere concoction.[43]

Furthermore, the testimony of AAA was corroborated by the findings of PCI Cabrera that AAA's hymen had lacerations which could have been sustained at least three to seven days prior to the examination on June 18, 2009. The findings support AAA's testimony that the carnal knowledge happened on June 12, 2009. It is well settled that when a rape victim's testimony on the manner she was defiled is straightforward and candid, and is corroborated by the medical findings of the examining physician as in this case, it is sufficient to support a conviction for rape.[44]

The foregoing discussion shows that the elements of Rape under Article 266-A of the RPC have been duly established. The prosecution, through AAA's testimony, corroborated by the doctor's medical findings, has ably proved that accused-appellant had carnal knowledge of AAA with the use of threat

---

[42] *People v. Amaro*, 739 Phil. 170, 178 (2014), citing *People v. Piosang*, 710 Phil. 519, 526 (2013).

[43] See *People v. Tulagan*, G.R. No. 227363, March 12, 2019, citing *People v. Garcia*, 695 Phil. 579, 588-589 (2012).

[44] *People v. Bagsic*, 822 Phil. 784, 797 (2017), citing *People v. Soria*, 698 Phil. 676, 689 (2012).

and intimidation and grave abuse of authority considering that accused-appellant is the father of AAA.

Accused-appellant's defenses of denial and alibi cannot overcome the candid and straightforward testimony of AAA. Judicial experience has taught the Court that denial and alibi are the common defenses in rape cases.[45] Denial and alibi are viewed with disfavor considering these are inherently weak defenses, especially in light of AAA's positive and straightforward declarations identifying accused-appellant as the one who committed the bastardly act against her as well as her convincing testimony detailing the circumstances and events leading to the rape incident.[46] Further, the important *dictum* laid by the Court in *People v. Adriano*[47] and *People v. Las Piñas*,[48] denial and alibi will not prevail if corroborated not by credible witnesses, but by the accused's relatives and friends. In the present case, the only witness who corroborated accused-appellant's alibi was his daughter CCC.

In an attempt to exculpate himself from criminal liability, accused-appellant filed a Motion for New Trial before the RTC anchored on the affidavit executed by AAA that she is recanting all the allegations she made against her father. Accused-appellant vehemently argues that both the RTC and the CA gravely erred in not considering AAA's affidavit of recantation. According to him, AAA's recantation casts reasonable doubt on his guilt.

The Court disagrees.

It must be emphasized that the affidavit of recantation was submitted with the RTC after the judgment of conviction was promulgated.

It is well settled that the Court frowns upon affidavits of desistance or recantation made after conviction of the

---

[45] *People v. Condes*, 659 Phil. 375, 395 (2011).

[46] *People v. Malana*, 646 Phil. 290, 308. Citations omitted.

[47] 764 Phil. 144 (2015).

[48] 739 Phil. 502 (2014).

accused.[49] These affidavits deserve scant consideration.[50] In the case of *Santos v. People*,[51] the Court held that:

> x x x It is settled that an affidavit of desistance made by a witness after conviction of the accused is not reliable, and deserves only scant attention. The affidavits of desistance filed by the private complainant and her witness were executed twelve (12) days after the promulgation of judgment of conviction, and are clearly mere afterthoughts. Hence, they cannot have the effect of negating a previous credible declaration.[52]

In the instant case, AAA's affidavit of recantation was executed fifteen days after the judgment of conviction. Thus, it can be viewed as a mere afterthought and unreliable. More importantly, a careful perusal thereof reveals that AAA's purported signature is different from that of her signature in her *Sinumpaang Salaysay* and consent for the medical examination.[53] The signatures on the *Sinumpaang Salaysay* and consent for the medical examination are similar, but the signature on the purported affidavit of desistance is different. In *People v. Antonio*,[54] the Court found doubtful the authenticity of the affidavit of desistance because the signatures appearing thereon were different from that on the complaint affidavit.

The circumstances obtaining here show that the affidavit of desistance purportedly executed by AAA is doubtful for the reasons cited above. Hence, the RTC and the CA are correct in not considering it.

In sum, accused-appellant's guilt for the crime of Rape has been proven beyond reasonable doubt. In view of the clear and convincing testimony of AAA, the denial and alibi interposed by accused-appellant which are both inherently weak, failed

---

[49] *Firaza v. People*, 47 Phil. 572, 584 (2007).

[50] *Id.*

[51] 443 Phil. 618 (2003).

[52] *Id.* at 625-626. Citation omitted.

[53] Records, pp. 12, 84, 199.

[54] 596 Phil. 808 (2009).

to convince the Court that he did not commit the defilement of AAA. Thus, the Court finds no reversible error on the part of the CA in affirming accused-appellant's conviction.

However, the penalty to be imposed should be *reclusion perpetua* without eligibility for parole. AAA's age and the accused-appellant's relation with AAA qualified the crime of Rape which warrants the imposition of the death penalty under Article 266-B (1)[55] of the RPC. But considering RA 9346 that prohibits the imposition of the death penalty, the correct penalty to be imposed is *reclusion perpetua* without eligibility for parole.[56]

Finally, as for accused-appellant's civil liability, the award of ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages should be awarded to the victim in conformity with prevailing jurisprudence.[57]

WHEREFORE, the appeal is **DISMISSED**. The Decision dated November 24, 2017 of the Court of Appeals in CA-G.R. CR-HC No. 06589 convicting accused-appellant XXX of the crime of Rape is **AFFIRMED with MODIFICATION** in that

---

[55] ART. 266-B. *Penalties*. — Rape under paragraph 1 of the next preceding article shall be punished by *reclusion perpetua*.

The **death penalty** shall also be imposed if the crime of rape is committed with any of the following aggravating/qualifying circumstances:

1. When the victim is ***under eighteen (18) years of age and the offender is a parent***, ascendant, step-parent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim; (Emphasis supplied.)

[56] The phrase "without eligibility for parole" is not deleted in view of the guidelines provided for in A.M. No. 15-08-02-SC dated August 4, 2015 which states that, (2) When circumstances are present warranting the imposition of the death penalty, but this penalty is not imposed because of RA 9346, the qualification of *"without eligibility for parole" shall be used to qualify reclusion perpetua* in order to emphasize that the accused should have been sentenced to suffer death penalty had it not been for RA 9346.

[57] *People vs. Jugueta*, 783 Phil. 806, 843 (2016).

the accused-appellant XXX is hereby sentenced to suffer the penalty of *reclusion perpetua* without eligibility for parole and is **ORDERED** to pay AAA ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages. All monetary awards are subject to 6% *per annum* interest from finality of this decision until fully paid.

SO ORDERED.

Perlas-Bernabe, S.A.J. (Chairperson), Hernando, and *Delos Santos, JJ.*, concur.

Baltazar-Padilla, J., on official leave.

THIRD DIVISION

[G.R. No. 244255. August 26, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee*, *vs.* **XYZ,**[1] *accused-appellant.*

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; TRIAL COURT'S EVALUATION OF THE CREDIBILITY OF WITNESSES, ACCORDED GREAT WEIGHT AND RESPECT.—** [T]he trial court's evaluation of the credibility of witnesses is entitled to the highest respect and will not be disturbed on appeal considering that the trial

---

[1] Pursuant to the Court's ruling in *People v. Cabalquinto* (G.R. No. 167693, September 19, 2006), the real name of the private offended party and her immediate family members, including any other personal circumstance or information tending to establish or compromise the identity of said party, shall be withheld.

court is in a better position to decide such question, having heard the witnesses themselves and observed their deportment and manner of testifying during the trial. Its findings on the issue of credibility of witnesses and the consequent findings of fact must be given great weight and respect on appeal, unless certain facts of substance and value have been overlooked which, if considered, might affect the result of the case. Here, the fact that accused-appellant was a disciplinarian which made private complainant despise him is not a sufficient reason for private complainant to concoct a story of sexual abuse. More so, her testimony was corroborated by medical evidence that there was indeed carnal knowledge. Hence, without sufficient justification, this Court will respect the assessment of the trial court as regards the credibility of the prosecution witnesses.

2. **ID.; ID.; DEFENSE OF *ALIBI*; ELEMENTS FOR *ALIBI* TO BE CONSIDERED AS A VALID DEFENSE, NOT ESTABLISHED IN THIS CASE; *ALIBI* CANNOT PREVAIL OVER THE VICTIM'S POSITIVE IDENTIFICATION OF THE ACCUSED AS HER ABUSER.—** [D]espite accused-appellant's pleas, the Court affirms the lower court's treatment of his defense. Jurisprudentially, while his *alibi* can be considered as a valid defense, the following elements must be alleged and proven for it to be entitled merit: (a) that he was present at another place at the time of the perpetration of the crime, and (b) that it was physically impossible for him to be at the scene of the crime during its commission. "Physical impossibility refers to distance and the facility of access between the crime scene and the location of the accused when the crime was committed. He must demonstrate that he was so far away and could not have been physically present at the crime scene and its immediate vicinity when the crime was committed." Here, accused-appellant alleged that he was at the other barangay approximately three (3) kilometers away from their residence. Unfortunately, the distance between his alleged whereabouts and their residence hardly meets the requirement of physical impossibility. At such distance, he could walk from that barangay to their residence in a matter of hours, if not minutes. More, such statement is self-serving, as he failed to present independent proof that would collaborate his *alibi*. Lastly, but most damaging of them, private complainant had positively, unequivocally and categorically identified accused-appellant as her abuser. Jurisprudence has

dictated that positive identification prevails over *alibi* since the latter can easily be fabricated and is inherently unreliable. Thus, the lower courts did not err in disregarding accused-appellant's defense.

3. **CRIMINAL LAW; STATUTORY RAPE; ELEMENTS, SUFFICIENTLY ESTABLISHED; WHAT THE LAW PUNISHES IS CARNAL KNOWLEDGE OF A WOMAN BELOW TWELVE (12) YEARS OLD.—** [I]t must be remembered that statutory rape, as punished under Article 266-A of the Revised Penal Code and amended by Republic Act No. 8353, paragraph 1(d), is different compared to other forms of rape. What the law punishes in statutory rape is carnal knowledge of a woman below twelve (12) years old. Thus, force, intimidation and physical evidence of injury are not relevant considerations; the only subject of inquiry is the age of the woman and whether carnal knowledge took place. The law presumes that the victim does not and cannot have a will of her own on account of her tender years; the child's consent is immaterial because of her presumed incapacity to discern good from evil. From the foregoing, the prosecution needs only to establish the following facts in order to secure conviction of the accused for statutory rape: (1) that the accused had carnal knowledge of a woman; and (2) that the woman was below 12 years of age. Thus, in Criminal Case No. 2012-8309, the prosecution has sufficiently established all the elements stated above. The unlawful carnal knowledge was established by the testimony of private complainant who described how accused-appellant undressed himself, threatened her mother and brother with bodily harm if she refused, climbed on top of her and abused her. Such sexual abuse was corroborated by the medico-legal who testified that accused-appellant showed healed lacerations in her private parts. Also, the prosecution was able to present private complainant's birth certificate that shows that she was merely eleven (11) years old at the time of the abuse. From the foregoing, it is undisputable that accused-appellant's guilt for statutory rape had been established.

4. **ID.; RAPE; ELEMENTS, PRESENT IN CASE AT BAR; THE GRAVAMEN OF RAPE IS SEXUAL INTERCOURSE WITH A WOMAN AGAINST HER WILL.—** As for Criminal Case No. 2012-8310, the Information alleges that at the time

of the commission of the crime, private complainant was already thirteen (13) years old and, therefore, outside the definition of statutory rape. Be that as it may, the Information was sufficient to charge accused-appellant with rape as defined under Article 266-A, paragraph 1(a). From the foregoing, the following are the elements of the offense: (a) the offender had carnal knowledge of a woman; and (b) he accomplished this act under the circumstances mentioned in the provision, *e.g.*, through force, threat or intimidation. The gravamen of rape is sexual intercourse with a woman against her will. Contrary to accused-appellant's contention, all the elements for violation of Article 266-A, paragraph 1(a) are present.

5. **ID.; QUALIFIED RAPE; ELEMENTS.—** Jurisprudence has been clear in laying down the elements of qualified rape, especially *incestuous* rape. These elements are: (a) the victim is a female over 12 years but under 18 years of age; (b) the offender is a parent, ascendant, stepparent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim; and (c) the offender has carnal knowledge of the victim either through force, threat, or intimidation.

6. **REMEDIAL LAW; CRIMINAL PROCEDURE; ELEMENTS OF QUALIFIED RAPE AS WELL AS THE QUALIFYING AND AGGRAVATING CIRCUMSTANCES MUST BE ALLEGED IN THE INFORMATION AND PROVED; OTHERWISE, THERE WOULD BE A DENIAL OF THE ACCUSED'S RIGHT TO DUE PROCESS.—** In relation to these elements, the Rules of Court require that the elements of the crime as well as the qualifying and aggravating circumstances must be alleged in the Information. The rules require the qualifying circumstances to be specifically alleged in the Information in order to comply with the constitutional right of the accused to be properly informed of the nature and cause of the accusation against him. The purpose is to allow the accused to prepare fully for his defense to prevent surprises during the trial. Lastly, qualifying circumstances must be properly pleaded in the indictment. If the same are not pleaded but proved, they shall be considered only as aggravating circumstances since the latter admit of proof even if not pleaded. It would be a denial of the right of the accused to be informed of the charges against

him and consequently, a denial of due process, if he is charged with simple rape and convicted of its qualified form, although the attendant circumstance qualifying the offense and resulting in the capital punishment was not alleged in the indictment on which he was arraigned.

7. **ID.; EVIDENCE; QUALIFYING CIRCUMSTANCE OF RELATIONSHIP, NOT ESTABLISHED IN THIS CASE; ENTRY IN THE COMPLAINANT'S BIRTH CERTIFICATE WHICH NAMES THE ACCUSED AS THE FATHER IS NOT CONCLUSIVE IF SUCH ENTRY WAS DENIED BY THE ACCUSED HIMSELF.—** The Information alleged that accused-appellant was the "natural father" of private complainant. As such, the Information seems to claim that accused-appellant is the biological father of private complainant. This was supported by private complainant's birth certificate which names accused-appellant as the father. In response, accused-appellant denied parentage over private complainant and alleged that it was his older brother who fathered her. For the Court, the CA was too quick in dismissing accused-appellant's allegations considering that private complainant herself admitted this fact; that accused-appellant is not her biological father despite what was stated in the birth certificate. This is a judicial admission that does not require proof. Interestingly, neither did the prosecution explain that such admission was made through palpable mistake or no such admission was made. As such, accused-appellant's claim was not an uncorroborated allegation but was a conceded fact. Of course the CA would lean on the presumption of regularity of government functions to protect the entries in the birth certificate. However, such argument is based solely on a rebuttable presumption that can be overturned by evidence. x x x Hence, the entry in the birth certificate that accused-appellant was the father of private complainant is not conclusive and evidence may be presented to disprove the same. The evidence here came in the form of a judicial admission which conclusively binds the party making it. He cannot thereafter take a position contradictory to, or inconsistent with his pleadings. Acts or facts admitted do not require proof and cannot be contradicted unless it is shown that the admission was made through palpable mistake or that no such admission was made. Therefore, there was no evidence that, indeed, accused-appellant is the father of the private complainant.

8. **ID.; ID.; ID.; THAT ACCUSED IS THE STEP-FATHER OF PRIVATE COMPLAINANT WAS NOT ALSO PROVEN; NO MARRIAGE CERTIFICATE BETWEEN THE ACCUSED AND THE VICTIM'S MOTHER WAS SUBMITTED.—** In its effort to sustain the qualified rape charge, the CA argues that even if it is true that accused-appellant is not the father of private complainant, he is nevertheless married to the private complainant's mother making him the step-father of private complainant which is one of the filial relationships enumerated under Article 266-B, qualifying the offense. Again, the Court disagrees. First, the Information filed against the accused contain all the allegations that needed to be proven. The prosecution cannot go beyond what is alleged in the same. Here, the allegation did not state the correct filial relationship between accused-appellant and private complainant. Instead of alleging that accused-appellant was the step-father of private complainant, it erroneously relied on private complainant's birth certificate that stated that accused-appellant was her father. Secondly, even if the proper relationship was alleged, the fact of marriage must be proven through the marriage certificate of accused-appellant and the victim's mother. However, despite the Court's effort to look for such evidence, the search was in vain. The same was not submitted into evidence. Lastly, the Court cannot consider the allegation of "natural father" as to include step-father. It is a basic rule in statutory construction that penal statutes are construed against the State and in favor of the accused. The reason for this principle is the tenderness of the law for the rights of individuals and the object is to establish a certain rule by conformity to which mankind would be safe, and the discretion of the court limited. Also, the purpose of strict construction is not to enable a guilty person to escape punishment through a technicality but to provide a precise definition of forbidden acts. Moreover, the relationship was also expressly included in the enumeration in Article 266-B. Therefore, step-father cannot be implied from the term "father".

9. **CRIMINAL LAW; RAPE; IN VIEW OF THE PROSECUTION'S FAILURE TO PROVE THE QUALIFYING CIRCUMSTANCE OF RELATIONSHIP, THE COURT FINDS THE ACCUSED GUILTY OF TWO (2) COUNTS OF RAPE ONLY; PENALTY AND CIVIL LIABILITY.—** [T]he Court can only find accused-appellant

guilty of two (2) counts of rape. The Court's refusal to qualify the charge, however, does not lessen its condemnation of the acts accused-appellant committed against private complainant. The Court's refusal stems rather from its solemn duty to protect the Constitution and the constitutional rights of individuals. x x x [T]he Court x x x **IMPOSES** the penalty of *reclusion perpetua* for each count of rape; and **ORDERS** him to **PAY** the amounts of ₱75,000.00 for civil indemnity, ₱75,000.00 for moral damages, ₱75,000.00 for exemplary damages for each count of rape, and six percent (6%) interest imposed on all monetary awards reckoned from finality of this Judgment until full payment.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

D E C I S I O N

GESMUNDO, *J.*:

The Information must allege not only all the elements of the crime but also all the proper qualifying and aggravating circumstances that would change the nature of the offense or increase the penalty. In case of doubt in the allegations in the Information, such doubt shall be construed in favor of the accused and against the State if only to give life to the constitutional right of the accused to be informed of the nature and cause of the accusation against him and the presumption of innocence of the accused.

The Case

Under consideration is this appeal directed against the Decision[2] promulgated on May 31, 2018 of the Honorable Court

---

[2] *Rollo*, pp. 3-14; penned by Associate Justice Apolinario D. Bruselas, Jr. with Associate Justice Maria Luisa Quijano-Padilla (retired) and Associate Justice Rafael Antonio M. Santos, concurring.

of Appeals *(CA)* in CA-G.R. CR-HC No. 09716 whereby the appellate court affirmed with modification the Decision[3] dated April 28, 2017 of the Regional Trial Court, [CCC],[4] Branch 51 *(RTC)*, in Criminal Case Nos. 2012-8309 and 2012-8310, finding XYZ *(accused-appellant)*, guilty of two (2) counts of qualified rape rather than penile rape.

Antecedents

The public prosecutor filed two (2) Informations against accused-appellant for allegedly raping his daughter, the indictment reads:

Criminal Case No. 2012-8309:

That on or about noon of November 20, 2009, at [CCC], Province of Sorsogon, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, with lewd design, did then and there, willfully, unlawfully and feloniously by means of force, intimidation and taking advantage of his moral ascendancy, have sexual intercourse with one [BBB],[5] an eleven (11) years old *(sic)* girl, against her will and without her consent, which act likewise constitute[s] child abuse as it debases, degrades and demeans the dignity of the victim as a child causing her emotional and psychological trauma, to her damage and prejudice.

---

[3] CA *rollo*, 41-50; penned by Acting Presiding Judge Bernardo R. Jimenez, Jr.

[4] The city where the crime was committed is withheld to protect the identity of the rape victim pursuant to Amended Administrative Circular No. 83-2015 issued on September 5, 2017.

[5] The true name of the victim has been replaced with fictitious initials in conformity with Amended Administrative Circular No. 83-2015 dated September 5, 2017 *(Subject: Protocols and Procedures in the Promulgation, Publication, and Posting on the Websites of Decisions, Final Resolutions, and Final Orders Using Fictitious Names/Personal Circumstances)*. The confidentiality of the identity of the victim is mandated by Republic Act (R.A.) No. 7610 *(Special Protection of Children Against Abuse, Exploitation and Discrimination Act)*; R.A. No. 8505 *(Rape Victim Assistance and Protection Act of 1998)*; R.A. No. 9208 *(Anti-Trafficking in Persons Act of 2003)*; R.A. No. 9262 *(Anti-Violence Against Women and Their Children Act of 2004)*; and R.A. No. 9344 *(Juvenile Justice and Welfare Act of 2006)*.

The aggravating circumstance of relationship is attendant in this case, as the respondent is the natural father of the victim, [BBB].

Criminal Case No. 2012-8310:

That on or about 8:00 o'clock in the evening of December 22, 2011 at [CCC], Province of Sorsogon, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, with lewd designs, did then and there, willfully, unlawfully and feloniously by means of force, intimidation and taking advantage of his moral ascendancy, have sexual intercourse with one [BBB], a thirteen (13) year old girl, against her will and without her consent, which act likewise constitute[s] child abuse as it debases, degrades and demeans the dignity of the victim as a child causing her emotional and psychological trauma, to her damage and prejudice.

The aggravating circumstance of relationship is attendant in this case, as the respondent is the natural father of the victim, [BBB].[6]

Upon arraignment on May 18, 2012, accused-appellant pleaded "not guilty" to said charges.[7] Thereafter, trial on the merits ensued.

To establish the prosecution's case, it presented the testimonies of private complainant and the doctor who examined her, Dr. Salve B. Sapinoso *(Dr. Sapinoso)*. The CA summarized their testimonies in this wise:

The private complainant testified that she was born on [DDD],[8] 1998 and that accused-appellant is her step-father. Her birth certificate, however, indicated accused-appellant as her father. She claimed that accused-appellant sexually abused her several times. Specifically, on November 20, 2009, when she was eleven (11) years old, she was sleeping in their bedroom when accused-appellant entered and removed her shirt and short. While accused-appellant was removing his clothes, he threatened her that he will kill her mother and brother. Accused-appellant then made her lie down, went on top of her, and inserted his penis in her vagina. Accused-appellant also kissed her and forced

---

[6] CA *rollo*, pp. 84-85.

[7] *Id.* at 41.

[8] *Supra* note 1.

his tongue into her mouth. She cried while accused-appellant covered her mouth with his hand. After accused-appellant had carnal knowledge of her, he again warned her that he will kill her mother and brother if she talks about the sexual abuse. The incident happened again on December 22, 2011 when she was thirteen (13) years old.

Private complainant's testimony was corroborated by Dr. Salve Sapinoso, who conducted a physical examination of the private complainant and issued a Medical Certificate finding five healed lacerations in her hymen.[9] (citation omitted)

In response, the defense presented the testimony of accused-appellant. The CA summarized his testimony in this manner:

Accused-appellant testified in his own behalf, denying that he raped private complainant and offering as *alibi* that he was working in another barangay three kilometers away from their residence at the time of the alleged incidents. He denied being the biological father of private complainant and claimed that it was his older brother, [EEE][10] who fathered her.[11]

Judgment of the RTC

After trial, the RTC rendered a Decision of conviction. The trial court ruled that all the elements of the crime have been duly proven by the public prosecutor. More, there is nothing in the testimony of private complainant that would cast doubt on its truthfulness and veracity especially when her testimony jibes with the physical evidence and medical testimony of the medico-legal officer. The *fallo* reads:

WHEREFORE, in light of the above foregoing, judgment is hereby rendered finding the accused [XYZ] guilty beyond reasonable doubt

---

[9] *Rollo*, pp. 5-6.

[10] The complete names and personal circumstances of the victim's family members or relatives, who may be mentioned in the court's decision or resolution have been replaced with fictitious initials in conformity with Amended Administrative Circular No. 83-2015 dated September 5, 2017 *(Subject: Protocols and Procedures in the Promulgation, Publication, and Posting on the Websites of Decisions, Final Resolutions, and Final Orders Using Fictitious Names/Personal Circumstances).*

[11] *Rollo*, p. 6.

of the offense of rape, and he is hereby sentenced to suffer the penalty of *Reclusion Perpetua* in both cases.

Accused is further ordered to pay the private complainant [BBB] the amount of ₱75,000.00 as civil damages and another ₱75,000.00 as moral damages.

SO ORDERED.[12]

Decision of the CA

As stated above, the CA found accused-appellant guilty of qualified rape rather than penile rape because of the presence of the relationship between him and private complainant. Further, the appellate court ruled that accused-appellant's *alibi* and denial cannot be credited considering the positive identification of private complainant that accused-appellant abused her. The CA ruled thus:

WHEREFORE, the appeal is **DENIED**. The *Decision* of the RTC is **AFFIRMED** with the **MODIFICATION** that accused appellant [XYZ] is found **GUILTY** of two (2) counts of Qualified Rape and is sentenced to suffer the penalty of *reclusion perpetua* for each count, without eligibility for parole. The award of civil indemnity is increased to ₱100,000 and moral damages to ₱100,000, for each of the two counts of rape. In addition, accused-appellant is further directed to pay private complainant ₱100,000 as exemplary damages, for each of the two counts. The award of damages shall earn straight interest at the rate of 6% *per annum* from the date of finality of the judgment until fully paid.

IT IS SO ORDERED.[13]

Hence, this appeal.

Accused-appellant and the Office of the Solicitor General *(OSG)* both manifested that they are submitting the appeal for resolution on the strength of their briefs submitted before the appellate court.

---

[12] CA *rollo*, p. 50.

[13] *Id.* at 93-94.

The Issue

Accused-appellant raises the following assignment of errors:

I.

THE TRIAL COURT GRAVELY ERRED IN GIVING WEIGHT AND CREDENCE TO [PRIVATE COMPLAINANT'S] INCREDIBLE AND DUBIOUS TESTIMONY.

II.

THE TRIAL COURT GRAVELY ERRED IN CONVICTING THE ACCUSED-APPELLANT OF RAPE DESPITE THE PROSECUTION'S FAILURE TO PROVE ALL THE ELEMENTS THEREOF.

III.

THE TRIAL COURT GRAVELY ERRED IN DISREGARDING THE ACCUSED-APPELLANT'S DEFENSE OF DENIAL.[14]

Simply, accused-appellant raises doubt as regards the credibility of private complainant. He argues that because he disciplined private complainant often, she had the incentive to fabricate stories against him. Also, accused-appellant argues that there was nothing in the testimony of private complainant that shows she was ever forced or that force was employed in order to satisfy his bestial desires. Lastly, he blames the lower courts in nonchalantly disregarding his defense. To him, when properly considered, his defense would lead to his acquittal.

On the other hand, the OSG argues that all the elements of qualified rape were duly established by the prosecution. More, it argues that there was nothing in the testimony of private complainant that would cast doubt on her credibility.

Thus, the central issue in this appeal is whether or not accused-appellant is entitled to an acquittal.

The Court's Ruling

The appeal lacks merit.

---

[14] *Id.* at 30, 33 and 36.

First, accused-appellant's attempt to question the credibility of private complainant should be disregarded. It must be remembered that testimonies of victims which are given in a categorical, straightforward, spontaneous, and frank manner are considered worthy of belief, for no woman would concoct a story of defloration, allow an examination of her private parts and thereafter allow herself to be perverted in a public trial if she was not motivated solely by the desire to have the culprit apprehended and punished.[15] Also, it is highly improbable for an innocent girl of tender years like the victim, who is very naive to the things of this world, to fabricate a charge so humiliating not only to herself but also to her family.[16]

Further, the trial court's evaluation of the credibility of witnesses is entitled to the highest respect and will not be disturbed on appeal considering that the trial court is in a better position to decide such question, having heard the witnesses themselves and observed their deportment and manner of testifying during the trial. Its findings on the issue of credibility of witnesses and the consequent findings of fact must be given great weight and respect on appeal, unless certain facts of substance and value have been overlooked which, if considered, might affect the result of the case.[17] Here, the fact that accused-appellant was a disciplinarian which made private complainant despise him is not a sufficient reason for private complainant to concoct a story of sexual abuse. More so, her testimony was corroborated by medical evidence that there was indeed carnal knowledge.

Hence, without sufficient justification, this Court will respect the assessment of the trial court as regards the credibility of the prosecution witnesses.

Second, despite accused-appellant's pleas, the Court affirms the lower court's treatment of his defense. Jurisprudentially,

---

[15] *People v. De Guzman*, 644 Phil. 229, 243 (2010); citation omitted.

[16] *People v. Santos*, 532 Phil. 752, 762 (2006).

[17] *People v. Bensig*, 437 Phil. 748, 756 (2002); citation omitted.

while his *alibi* can be considered as a valid defense, the following elements must be alleged and proven for it to be entitled merit: (a) that he was present at another place at the time of the perpetration of the crime, and (b) that it was physically impossible for him to be at the scene of the crime during its commission. "Physical impossibility refers to distance and the facility of access between the crime scene and the location of the accused when the crime was committed. He must demonstrate that he was so far away and could not have been physically present at the crime scene and its immediate vicinity when the crime was committed."[18]

Here, accused-appellant alleged that he was at the other barangay approximately three (3) kilometers away from their residence. Unfortunately, the distance between his alleged whereabouts and their residence hardly meets the requirement of physical impossibility. At such distance, he could walk from that barangay to their residence in a matter of hours, if not minutes. More, such statement is self-serving, as he failed to present independent proof that would collaborate his *alibi*. Lastly, but most damaging of them, private complainant had positively, unequivocally and categorically identified accused-appellant as her abuser. Jurisprudence has dictated that positive identification prevails over *alibi* since the latter can easily be fabricated and is inherently unreliable.[19] Thus, the lower courts did not err in disregarding accused-appellant's defense.

Lastly, it must be remembered that statutory rape, as punished under Article 266-A of the Revised Penal Code and amended by Republic Act No. 8353, paragraph 1 (d),[20] is different

---

[18] *People v. Ramos*, 715 Phil. 193, 206 (2013); citations omitted.

[19] *People v. Dadao*, 725 Phil. 298, 312 (2014); citation omitted.

[20] **Article 266-A. Rape: When and How Committed.** — Rape is committed:

1) By a man who shall have carnal knowledge of a woman under any of the following circumstances:

x x x x x x x x x

d) When the offended party is under twelve (12) years of age or is demented, even though none of the circumstances mentioned above be present.

compared to other forms of rape. What the law punishes in statutory rape is carnal knowledge of a woman below twelve (12) years old. Thus, force, intimidation and physical evidence of injury are not relevant considerations; the only subject of inquiry is the age of the woman and whether carnal knowledge took place. The law presumes that the victim does not and cannot have a will of her own on account of her tender years; the child's consent is immaterial because of her presumed incapacity to discern good from evil.[21]

From the foregoing, the prosecution needs only to establish the following facts in order to secure conviction of the accused for statutory rape: (1) that the accused had carnal knowledge of a woman; and (2) that the woman was below 12 years of age.[22]

Thus, in Criminal Case No. 2012-8309, the prosecution has sufficiently established all the elements stated above. The unlawful carnal knowledge was established by the testimony of private complainant who described how accused-appellant undressed himself, threatened her mother and brother with bodily harm if she refused, climbed on top of her and abused her. Such sexual abuse was corroborated by the medico-legal who testified that accused-appellant showed healed lacerations in her private parts. Also, the prosecution was able to present private complainant's birth certificate that shows that she was merely eleven (11) years old at the time of the abuse. From the foregoing, it is undisputable that accused-appellant's guilt for statutory rape had been established.

As for Criminal Case No. 2012-8310, the Information alleges that at the time of the commission of the crime, private complainant was already thirteen (13) years old and, therefore, outside the definition of statutory rape. Be that as it may, the Information was sufficient to charge accused-appellant with rape as defined under Article 266-A, paragraph 1 (a). From

---

[21] *People v. Teodoro*, 622 Phil. 328, 337 (2009); citations omitted.

[22] *People v. Pacheco*, 632 Phil. 624, 632 (2010); citation omitted.

the foregoing, the following are the elements of the offense: (a) the offender had carnal knowledge of a woman; and (b) he accomplished this act under the circumstances mentioned in the provision, *e.g.*, through force, threat or intimidation. The gravamen of rape is sexual intercourse with a woman against her will.[23]

Contrary to accused-appellant's contention, all the elements for violation of Article 266-A, paragraph 1 (a) are present. First, the testimony of private complainant recounts the harrowing tale when accused-appellant sexually abused her when she was thirteen (13) years old. The injuries she suffered were corroborated with medical evidence. Secondly, from the testimony of private complainant, she was obviously threatened into submission to his bestial desires when accused-appellant threatened to harm her mother and brother if she did not succumb to him. It is clear, therefore, that on the basis of the Informations filed, accused-appellant deserves his convictions for two (2) counts of rape, one (1) statutory rape under Article 266-A, paragraph 1 (d) and another penile rape under Article 266-A, paragraph 1 (a).

Despite this, the Court in unable to give its imprimatur to the CA's ruling that accused-appellant should be found guilty for qualified rape.

The Court now explains.

Jurisprudence has been clear in laying down the elements of qualified rape, especially *incestuous* rape. These elements are: (a) the victim is a female over 12 years but under 18 years of age; (b) the offender is a parent, ascendant, stepparent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim; and (c) the offender has carnal knowledge of the victim either through force, threat, or intimidation.[24]

---

[23] *People v. Ejercito*, G.R. No. 229861, July 2, 2018, 869 SCRA 353, 366.

[24] *People v. Vitero*, 708 Phil. 49, 59 (2013); citation omitted.

In relation to these elements, the Rules of Court require that the elements of the crime as well as the qualifying and aggravating circumstances must be alleged in the Information.[25] The rules require the qualifying circumstances to be specifically alleged in the Information in order to comply with the constitutional right of the accused to be properly informed of the nature and cause of the accusation against him. The purpose is to allow the accused to prepare fully for his defense to prevent surprises during the trial.[26]

Lastly, qualifying circumstances must be properly pleaded in the indictment. If the same are not pleaded but proved, they shall be considered only as aggravating circumstances since the latter admit of proof even if not pleaded. It would be a denial of the right of the accused to be informed of the charges against him and consequently, a denial of due process, if he is charged with simple rape and convicted of its qualified form, although the attendant circumstance qualifying the offense and resulting in the capital punishment was not alleged in the indictment on which he was arraigned.[27]

Here, the allegations involving the qualifying circumstances of relationship in the Informations similarly read:

> "The aggravating circumstance of relationship is attendant in this case, as the respondent is the natural father of the victim, BBB."

While the age of the victim was alleged and proven with the presentation of private complainant's birth certificate, the qualifying circumstance of relationship, however, was not properly alleged and unproven or, at the very least, not proven by sufficient evidence.

In finding accused-appellant guilty of qualified rape, the CA ruled:

---

[25] *See* Rule 110, Sections 8 and 9, 2000 Rules on Criminal Procedure.

[26] *People v. Aquino*, 435 Phil. 417, 425 (2002); citations omitted.

[27] *People v. De Guzman*, G.R. No. 224212, November 27, 2019.

The Court, however, finds that the RTC failed to consider the qualifying circumstance of private complainant's minority and her relationship to accused-appellant in disposing of the case. Under Article 266-B of the RPC, the crime of Rape is qualified when the victim is under eighteen (18) years of age and the offender is a parent, ascendant, step-parent, guardian, relative by consanguinity and affinity within the third civil degree, or the common law spouse of the parent of the victim.

Here, the articles of Information expressly alleged that private complainant was a minor when the crimes were committed and that accused-appellant is her father. These are duly established by the private complainant's birth certificate which indicates her birth date and bears accused-appellant's name as her father. Accused-appellant's assertion that he is not the private complainant's biological father could not overcome the presumption of regularity in the preparation of said certificate. Nonetheless, even assuming that he is not the private complainant's biological father, the conclusion would still be the same. Accused-appellant is married to private complainant's mother. This would make accused-appellant the private complainant's step-father, a relationship that is still covered by Article 266-B of the RPC."[28]

The Court disagrees with the appellate court.

To begin with, although the Court respects the factual findings of the trial courts, it is equally axiomatic that appeal in criminal cases opens the whole case wide open for review.[29] As such, the Court can review the evidence presented by the prosecution and whether the same is sufficient to warrant a conviction for a qualified offense.

The Information alleged that accused-appellant was the "natural father" of private complainant. As such, the Information seems to claim that accused-appellant is the biological father of private complainant. This was supported by private complainant's birth certificate which names accused-appellant as the father.

---

[28] CA *rollo*, p. 92.

[29] *Agustin v. People*, 576 Phil. 188, 194 (2008).

In response, accused-appellant denied parentage over private complainant and alleged that it was his older brother who fathered her. For the Court, the CA was too quick in dismissing accused-appellant's allegations considering that private complainant herself admitted this fact; that accused-appellant is not her biological father despite what was stated in the birth certificate. This is a judicial admission that does not require proof. Interestingly, neither did the prosecution explain that such admission was made through palpable mistake or no such admission was made.[30] As such, accused-appellant's claim was not an uncorroborated allegation but was a conceded fact.

Of course the CA would lean on the presumption of regularity of government functions to protect the entries in the birth certificate. However, such argument is based solely on a rebuttable presumption that can be overturned by evidence. The *praesumptio iuris tantum* of the entries in the birth certificate is reflected in the rules, thus:

Public documents as evidence. — Documents consisting of entries in public records made in the performance of a duty by a public officer are *prima facie* evidence of the facts therein stated. All other public documents are evidence, even against a third person, of the fact which gave rise to their execution and of the date of the latter.[31]

Hence, the entry in the birth certificate that accused-appellant was the father of private complainant is not conclusive and evidence may be presented to disprove the same. The evidence here came in the form of a judicial admission which conclusively binds the party making it. He cannot thereafter take a position contradictory to, or inconsistent with his pleadings. Acts or facts admitted do not require proof and cannot be contradicted unless it is shown that the admission was made through palpable mistake or that no such admission was made.[32] Therefore, there

---

[30] *See* Rule 128, Section 4, Revised Rules on Evidence.

[31] Rule 132, Section 23, Revised Rules on Evidence.

[32] *Extraordinary Development Corp. v. Samson-Bico*, 745 Phil. 276, 293 (2014).

was no evidence that, indeed, accused-appellant is the father of the private complainant.

In its effort to sustain the qualified rape charge, the CA argues that even if it is true that accused-appellant is not the father of private complainant, he is nevertheless married to the private complainant's mother making him the step-father of private complainant which is one of the filial relationships enumerated under Article 266-B, qualifying the offense.

Again, the Court disagrees.

First, the Information filed against the accused contain all the allegations that needed to be proven. The prosecution cannot go beyond what is alleged in the same. Here, the allegation did not state the correct filial relationship between accused-appellant and private complainant. Instead of alleging that accused-appellant was the step-father of private complainant, it erroneously relied on private complainant's birth certificate that stated that accused-appellant was her father.

Secondly, even if the proper relationship was alleged, the fact of marriage must be proven through the marriage certificate of accused-appellant and the victim's mother. However, despite the Court's effort to look for such evidence, the search was in vain. The same was not submitted into evidence.

Lastly, the Court cannot consider the allegation of "natural father" as to include step-father. It is a basic rule in statutory construction that penal statutes are construed against the State and in favor of the accused.[33] The reason for this principle is the tenderness of the law for the rights of individuals and the object is to establish a certain rule by conformity to which mankind would be safe, and the discretion of the court limited.[34] Also, the purpose of strict construction is not to enable a guilty person to escape punishment through a technicality but to provide a precise definition of forbidden acts.[35] Moreover,

---

[33] *People v. Valdez*, 774 Phil. 723, 747 (2015).

[34] *Ursua v. Court of Appeals*, 326 Phil. 157, 168 (1996).

[35] *Centeno v. Villalon-Pornillos*, 306 Phil. 219, 231 (1994).

the relationship was also expressly included in the enumeration in Article 266-B. Therefore, step-father cannot be implied from the term "father."

In *People v. Alcoreza*,[36] the Court refused to convict the accused for qualified rape due to the erroneous allegation in the Information regarding the relationship between the accused and the victim, thus:

> "Be that as it may, *the accused can be convicted only of simple statutory rape and, accordingly, the penalty of death imposed against him should be reduced to reclusion perpetua*. The Information alleged that the appellant raped his 11-year old stepdaughter Mary Joy. The qualifying circumstance of minority of Mary Joy was proved beyond reasonable doubt by the presentation of her birth certificate. However, the relationship between the appellant and Mary Joy was not established with the same degree of proof. Although the prosecution established that Mary Joy was the daughter of Melita, it failed to offer the marriage contract of the appellant and Melita which would establish that Mary Joy is the stepdaughter of the appellant. The testimony of Melita and even the admission of the appellant regarding their marriage do not meet the required standard of proof. *The Court cannot rely on the disputable presumption that when a man and a woman live together as husband and wife, they are presumed to be married. Relationship as a qualifying circumstance in rape must not only be alleged clearly. It must also be proved beyond reasonable doubt, just as the crime itself*. Neither can it be argued that without the marriage contract, a common-law relationship between the appellant and Melita was still proved and this should qualify the crime at bar. To be sure, what the Information alleged is that the appellant is the stepfather of Mary Joy. It made no mention of a common-law relationship between the appellant and Melita. Hence, to convict appellant with qualified rape on the basis of the common-law relationship is to violate his right to be properly informed of the accusation against him."[37] (citations omitted)

Hence, the Court can only find accused-appellant guilty of two (2) counts of rape. The Court's refusal to qualify the charge, however, does not lessen its condemnation of the acts accused-

---

[36] 419 Phil. 105 (2001).

[37] *Id.* at 119.

appellant committed against private complainant. The Court's refusal stems rather from its solemn duty to protect the Constitution and the constitutional rights of individuals.

WHEREFORE, the Court **DISMISSES** the appeal; **AFFIRMS** with **MODIFICATION** the Decision promulgated on May 31, 2018 of the Honorable Court of Appeals in CA-G.R. CR-HC No. 09716; **FINDS** accused-appellant XYZ **GUILTY** of two (2) counts of rape in Criminal Case Nos. 2012-8309 and 2012-8310; **IMPOSES** the penalty of *reclusion perpetua* for each count of rape; and **ORDERS** him to **PAY** the amounts of ₱75,000.00 for civil indemnity, ₱75,000.00 for moral damages, ₱75,000.00 for exemplary damages for each count of rape, and six percent (6%) interest imposed on all monetary awards reckoned from finality of this Judgment until full payment.[38]

SO ORDERED.

Leonen (Chairperson), Carandang, Zalameda, and *Gaerlan, JJ.*, concur.

THIRD DIVISION

[G.R. No. 248245. August 26, 2020]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* **HHH,** *accused-appellant.*

SYLLABUS

1. REMEDIAL LAW; CRIMINAL PROCEDURE; PROSECUTION OF OFFENSES; DATE OF COMMISSION OF THE OFFENSE; NOT ESSENTIAL TO BE ALLEGED

---

[38] *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

IN THE INFORMATION WITH ULTIMATE PRECISION; CONVICTING AN ACCUSED OF AN OFFENSE COMMITTED OUTSIDE THE PERIOD ALLEGED IN THE INFORMATION IS A VIOLATION OF THE ACCUSED'S CONSTITUTIONAL RIGHT TO BE INFORMED OF THE NATURE AND CAUSE OF ACCUSATION AGAINST HIM; CASE AT BAR.— It is not essential that the date of commission of the offense be alleged in the Information with ultimate precision. In Criminal Case Nos. 14-12400 and 14-12401, while it is true that the Information only alleged "on or about the year 2012" and BBB could not specifically indicate the exact date when the incidents of rape occurred, it is understandable why she was unable to state the specific dates because rape, by itself, is a traumatic experience; more so when it is committed by her very own father. Thus, the fact that the two separate Informations alleged "on or about the year 2012" should not be taken against BBB. On the other hand, the lower courts committed error in convicting HHH of Rape by Sexual Assault under Article 266-A(2) of the Revised Penal Code (RPC). Noticeably, CCC testified on an alleged incident of abuse that occurred in March 2012. In CCC's Complaint Judicial Affidavit, she alleged that the incident of abuse occurred in March 2012. x x x It is clear from the [Complaint Judicial Affidavit of CCC] that after March 2012, nothing happened to CCC. This belies her claim of molestation in March 2014 and is inconsistent with the allegations stated in the Information. March 2012 is a period outside the date alleged in the Information for Criminal Case No. 14-12402 which describes an incident that occurred "on or about March 2014." This is two years after the incident referred to by CCC in her testimony. It is settled that the Information must indicate a date which is not so remote as to surprise and prejudice the accused. Convicting HHH of an offense committed outside the period alleged in the Information is a violation of his constitutional right to be informed of the nature and cause of accusation against him.

2. **CRIMINAL LAW; SEXUAL ASSAULT UNDER ARTICLE 266-A(2) OF THE REVISED PENAL CODE IN RELATION TO SECTION 5(B) OF REPUBLIC ACT 7610; PROPER NOMENCLATURE OF THE OFFENSE TO WHICH THE ACCUSED SHOULD BE HELD LIABLE IN CASE AT BAR; EXPLAINED.—** There is a need to clarify the proper

nomenclature of the offenses HHH is charged with in Criminal Case No. 14-11713 and 14-11714 for purposes of uniformity. In Criminal Case Nos. 14-11713 and 14-11714, instead of Rape by Sexual Assault, HHH should be held liable for Sexual Assault under Article 266-A (2) of RPC in relation to Section 5(b) of Republic Act No. (R.A.) 7610. In *People v. Tulagan,* the Court explained that: Considering the development of the crime of sexual assault from a mere "crime against chastity" in the form of acts of lasciviousness to a "crime against persons" akin to rape, as well as the rulings in *Dimakuta* and *Caoili*, We hold that **if the acts constituting sexual assault are committed against a victim under 12 years of age or is demented, the nomenclature of the offense should now be "Sexual Assault under paragraph 2, Article 266-A of the RPC in relation to Section 5 (b) of R.A. No. 7610"** and no longer "Acts of Lasciviousness under Article 336 of the RPC in relation to Section 5 (b) of R.A. No. 7610," because sexual assault as a form of acts of lasciviousness is no longer covered by Article 336 but by Article 266-A (2) of the RPC, as amended by R.A. No. 8353. Nevertheless, the imposable penalty is still *reclusion temporal* in its medium period, and not *prision mayor*.

3. **ID.; STATUTORY RAPE UNDER ARTICLE 266-A OF THE REVISED PENAL CODE; ELEMENTS; FORCE, INTIMIDATION, AND PHYSICAL EVIDENCE OF INJURY ARE NOT RELEVANT CONSIDERATIONS; THE ONLY PERTINENT CONCERN IS THE AGE OF THE WOMAN AND WHETHER CARNAL KNOWLEDGE INDEED TOOK PLACE.—** Statutory rape is committed when: (1) the offended party is under 12 years of age; and (2) the accused had carnal knowledge of her, regardless of whether there was force, threat or intimidation, whether the victim was deprived of reason or consciousness, or whether it was done through fraud or grave abuse of authority. It is termed Statutory Rape as it departs from the usual modes of committing rape. The law presumes that the victim does not and cannot have a will of her own on account of her tender years. What the law punishes in Statutory Rape is carnal knowledge of a woman below 12 years old. Thus, force, intimidation, and physical evidence of injury are not relevant considerations; the only pertinent concern is the age of the woman and whether carnal knowledge indeed took place.

4. **ID.; RAPE BY SEXUAL ASSAULT UNDER ARTICLE 266-A(2) OF THE REVISED PENAL CODE; ELEMENTS.—** [T]he following are the elements of Rape by Sexual Assault under Article 266-A(2) of the RPC: (1) That the offender commits an act of sexual assault; (2) That the act of sexual assault is committed by any of the following means: (a) By inserting his penis into another person's mouth or anal orifice; or **(b) By inserting any instrument or object into the genital or anal orifice of another person;** (3) That the act of sexual assault is accomplished under any of the following circumstances: (a) By using force and intimidation; (b) When the woman is deprived of reason or otherwise unconscious; or (c) By means of fraudulent machination or grave abuse of authority; or (d) **When the woman is under 12 years of age** or demented.

5. **REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; TESTIMONIES OF CHILD VICTIMS ARE GIVEN FULL WEIGHT AND CREDIT, BECAUSE WHEN A WOMAN, MORE SO IF SHE IS A MINOR, SAYS THAT SHE HAS BEEN RAPED, SHE SAYS IN EFFECT ALL THAT IS NECESSARY TO SHOW THAT RAPE WAS COMMITTED; CASE AT BAR.—** The fact that HHH's daughters continued to live with him after the alleged incidents of abuse should not be taken against them. It must be remembered that no child has equal power to say 'no' to a parental figure and understand the consequences of sexual involvement with an adult. The threat of loss of family security may be more frightening to a child than the threat of violence. More importantly, it is settled that testimonies of child victims are given full weight and credit, because when a woman, more so if she is a minor, says that she has been raped, she says in effect all that is necessary to show that rape was committed. Youth and immaturity are generally badges of truth and sincerity. It is incredible to believe that HHH's daughters would concoct a story that would send their father to jail, allow an examination of their private parts, and permit themselves to be subjected to a public trial, unless they are motivated solely by the desire to have their own father punished for his transgressions. To Our mind, the positive and categorical testimonies of AAA and BBB are consistent with the other pieces of evidence presented by the prosecution to prove the abuse they suffered in the hands of their father. When a rape victim's testimony is straightforward

and candid, unshaken by rigid cross-examination and unflawed by inconsistencies or contradictions in its material points, the same must be given full faith and credit.

6. **CRIMINAL LAW; RAPE; MANY INCIDENTS THEREOF WERE NOT ALWAYS COMMITTED IN SECLUDED PLACES; LUST IS NO RESPECTER OF TIME OR PLACE, AND RAPE DEFIES CONSTRAINTS OF TIME AND SPACE; CASE AT BAR.—** Although it is admitted that HHH and his family shared a house with other families, this fact did not make it impossible for the crimes to be committed. The Court has recognized that many incidents of rape were not always committed in secluded places. As aptly stated by the Court, "lust is no respecter of time or place, and rape defies constraints of time and space."

7. **REMEDIAL LAW; CRIMINAL PROCEDURE; PROSECUTION OF OFFENSES; DESIGNATION OF THE OFFENSE; COMPLAINT OR INFORMATION MUST SPECIFY ITS QUALIFYING AND AGGRAVATING CIRCUMSTANCES; A QUALIFYING CIRCUMSTANCE THAT IS NOT ALLEGED IN THE INFORMATION CANNOT BE APPRECIATED EVEN IF PROVEN DURING TRIAL; CASE AT BAR.—** It must be clarified that, while HHH admitted and it was proven during trial that he is the father of AAA, BBB, and CCC, the qualifying circumstance of relationship cannot be appreciated by the Court. Section 8, Rule 110 of the Rules expressly require that: Section 8. *Designation of the offense.* - The complaint or information shall state the designation of the offense given by the statute, aver the acts or omissions constituting the offense, and specify its qualifying and aggravating circumstances. If there is no designation of the offense, reference shall be made to the section or subsection of the statute punishing it. Accordingly, even if established during trial, the qualifying circumstance of relationship cannot affect the penalty to be imposed on HHH. He cannot be convicted of the graver offense of qualified rape, although proven, because relationship was neither alleged nor necessarily included in the six Informations filed against him.

8. **CRIMINAL LAW; SEXUAL ASSAULT UNDER ARTICLE 266-A(2) OF THE REVISED PENAL CODE IN RELATION TO SECTION 5(B) OF REPUBLIC ACT NO. 7610; PROPER**

PENALTY IN CASE AT BAR.— The lower courts committed error in applying *prision mayor,* as stated in Article 266-B of the RPC, in ascertaining the indeterminate penalty to be imposed on HHH for the two counts of Sexual Assault under Article 266-A(2) of the RPC in relation to Section 5(b) of R.A. 7610 in Criminal Case Nos. 14-11713, 14-11714 and 14-12402. In *Franco y Eslaban v. People*, the Court explained: In the case of *People of the Philippines v. Rolando Bagsic y Valenzuela,* the Court, citing the case of *People v. Ching,* stressed that an accused who is found guilty of sexual assault committed against a child below 12 years of age shall suffer the higher penalty of *reclusion temporal* in its medium period, as provided for in Section 5 (b), Article III of R.A. No. 7610, rather than *prision mayor* under Article 266-B of the RPC[.] x x x Applying the Indeterminate Sentence Law, the maximum term shall be taken from the medium period of *reclusion temporal* in its medium period, which is 15 years, 6 months and 20 days to 16 years, 5 months and 9 days; while the minimum term is within the range of the penalty next lower than that prescribed by law, which is 12 years and 1 day to 14 years and 8 months of *reclusion temporal* in its minimum period. Accordingly, in Criminal Case Nos. 14-11713 and 14-11714, HHH is sentenced to suffer the indeterminate penalty ranging from 14 years and 8 months of *reclusion temporal* in its minimum period, as minimum, to 16 years, 5 months and 9 days of *reclusion temporal* in its medium period, as maximum.

9. **ID.; RAPE UNDER ARTICLE 266-A(1) IN RELATION TO ARTICLE 266-B OF THE REVISED PENAL CODE; PENALTY IN CASE AT BAR.—** In Criminal Case Nos. 14-11715, 14-12400, and 14-12401 for Rape under Article 266-A(l) in relation to Article 266-B of the RPC, We affirm that HHH should suffer the penalty of *reclusion perpetua* in accordance with paragraph 1 (d), Article 266-A in relation to Article 266-B of the RPC, as amended by R.A. 8353.

APPEARANCES OF COUNSEL

Office of the Solicitor General for plaintiff-appellee.
Public Attorney's Office for accused-appellant.

DECISION

CARANDANG, *J.*:

This is an appeal[1] from the Decision[2] dated March 27, 2019 of the Court of Appeals (CA) in CA-G.R. CR-HC No. 10435 finding accused-appellant HHH[3] guilty beyond reasonable doubt of three counts of Rape by Sexual Assault and three counts of Statutory Rape.[4]

The Antecedents

The six separate Informations against HHH state:

Criminal Case No. 14-11713
For Rape by Sexual Assault

That on or about the 13th day of May, 2014, 7 o'clock in the evening, at Angeles City, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused by taking advantage of the innocence and tender age and gullibility of Private Complainant [AAA][5] (11 year old minor), did then and there willfully, unlawfully and feloniously commit acts of sexual assault through threat and intimidation on the said complainant AAA (11 year old minor) by inserting his middle finger in her vagina without her consent, with intent to abuse and/ or gratify his sexual desire, thereby degrading and debasing the girl's intrinsic worth and dignity as a human being and endangering her normal development, to her damage and prejudice.

---

[1] *Rollo*, p. 22.

[2] Penned by Associate Justice Ma. Luisa C. Quijano-Padilla, with the concurrence of Associate Justices Elihu A. Ybanez and Gabriel T. Robeniol; *id.* at 3-21.

[3] As decreed in *People v. Cabalquinto*, 533 Phil. 709 (2006), the real name of the complainant and the complainant's relatives are withheld to effectuate the provisions of Republic Act No. 7610 and its implementing rules. Republic Act No. 9262 (Anti-Violence Against Women and Their Children Act of 2004) and its implementing rules, and A.M. No. 04-10-11-SC (Rule on Violence Against Women and their Children).

[4] *Id.*

[5] *Supra* note 3.

CONTRARY TO LAW.[6]

<u>Criminal Case No. 14-11714</u>
For Rape by Sexual Assault

That on or about the 13th day of May, 2014, 7 o'clock in the morning, at Angeles City, and within the jurisdiction of this Honorable Court, the above-named accused, by taking advantage of the innocence and tender age and gullibility of Private Complainant AAA (11 year old minor), did then and there willfully, unlawfully and feloniously commit acts of sexual assault through threat and intimidation on the said Complainant AAA (11 year old miner) by forcing her to grasp her penis after which he insert his penis in her anal orifice thereafter lick her vagina without her consent, thereby degrading and debasing the girl's intrinsic worth and dignity as a human being and endangering her normal development, to her damage and prejudice.

CONTRARY TO LAW.[7]

<u>Criminal Case No. 14-11715</u>
For Statutory Rape

That on or about the 13th day of May, 2014, around 12 o'clock in the afternoon, in the City of Angeles, Philippines and within the jurisdiction of this Honorable Court, the above-named accused, with lewd design and taking advantage of the innocence and tender age of private complainant AAA (11 year old minor), by directing her to lightly grasp his penis (to masturbate) when semen discharge came out he inserted his penis to her vagina to have sexual intercourse with said AAA (11 year old minor), did then and there willfully, unlawfully and feloniously have carnal knowledge with said AAA (11 year old minor), by means of force, threat, and intimidation and against her will and consent.

CONTRARY TO LAW.[8]

<u>Criminal Case No. 14-12400</u>
For Statutory Rape

That on or about the year 2012 in City of Angeles, Philippines and within the jurisdiction of this Honorable Court, the above-named

---

[6] Records (Criminal Case Nos. 14-11713 to 14-11715), p. 1.

[7] *Id.* at 21-A.

[8] *Id.* at 41.

accused, with lewd design and taking advantage of the innocence and tender age of private complainant [BBB][9] (10 year old minor at the time of the incident), by directing her to lay down in bed and touch her cheek, touching and kissing her breast and inserted his penis to her vagina to have sexual intercourse with said BBB (10 year old minor at the time of the incident), did then and there willfully, unlawfully and feloniously have carnal knowledge with said BBB (10 year old minor at the time of the incident) by means of force, threat, and intimidation and against her will and consent.

CONTRARY TO LAW.[10]

Criminal Case No. 14-12401
For Statutory Rape

That on or about the year of 2012 in City of Angeles, Philippines and within the jurisdiction of this Honorable Court, the above-named accused, with lewd design and taking advantage of the innocence and tender age of private complainant BBB (10 year old minor at the time of the incident), by touching, inserting his fingers in her vagina and remove her underwear and go on top of her and insert her penis to her vagina to have sexual intercourse with said BBB (10 year old minor at the time of the incident), did then and there willfully, unlawfully and feloniously have carnal knowledge with said BBB (10 year old minor at the time of the incident) by means of force and intimidation and against her will and consent.

CONTRARY TO LAW.[11]

Criminal Case No. 14-12402
For Rape by Sexual Assault

That on or about the month of March 2014, at Angeles City, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, by taking advantage of the innocence and tender age and gullibility of Private Complainant [CCC][12] (who was then 11 year old minor) did then and there willfully, unlawfully and feloniously commit acts of sexual assault through threat and intimidation

---

[9] *Supra* note 3.

[10] Records (Criminal Case No. 14-12400), p. 1.

[11] Records (Criminal Case No. 14-12401), p. 1.

[12] *Supra* note 3.

on the said CCC (who was then 11 year old minor) by removing her underwear while she is asleep after which directing her, to wit: "Hawakan mo nga ito at ganun nanunin mo nga! (to grasp accused's penis to masturbate him) thereafter insert his finger to her vagina telling her biological father (accused) to stop however, with intent to abuse and/ or gratify his sexual desire, thereby degrading and debasing the girl's intrinsic worth and dignity as a human being and endangering her normal development, to her damage and prejudice.

CONTRARY TO LAW.[13]

The three complainants are the daughters of HHH with his common-law spouse, DDD.[14] Together, they have six children, two boys and four girls. The eldest daughter, CCC, was born on January 24, 2001;[15] BBB was born on August 26, 2002;[16] and AAA was born on September 15, 2003.[17]

CCC narrated that sometime in March 2012, then 11-year old CCC woke up naked. She looked around and saw HHH in his underwear sitting at the corner of the room, looking fiercely at her. She claimed that she knew she was molested because she felt pain in her vagina. In another incident, she saw her shorts were removed and her underwear was lowered to her knees. HHH then instructed her: "*Hawakan mo ito at ganun ganunin mo.*" Afraid of what HHH could do to her, CCC did as instructed. She held his penis and made up and down motions. Meanwhile, HHH inserted his finger in her vagina and played with it. She told him to stop but the latter demanded: "*Bilisan mo nga!*"[18]

BBB conveyed to the court that sometime in 2012, when she was 10 years old, HHH instructed her to clean the room.

---

[13] Records (Criminal Case Nos. 14-12402), p. 1.

[14] *Supra* note 3.

[15] Records (Criminal Case Nos. 14-11713 to 11715), p. 37.

[16] *Id.* at 36.

[17] *Id.* at 35.

[18] CA *rollo,* p. 78-A.

While her back was turned against HHH, he approached her and started kissing her. He made BBB lie on the floor and inserted his penis inside her vagina. He even asked her, "*Ito masarap?*" She shouted, "*Hindi po! Hindi!*" and asked him to stop but he did not listen. He continued with his bestial act.[19] During another incident in 2012, BBB recounted that HHH woke her up and put his finger inside her vagina. He removed BBB's shorts and underwear and had sexual intercourse with her.[20]

AAA recalled that at around 7:00 a.m. of May 13, 2014, HHH held her waist while he was behind her. He embraced AAA and made her lie on the mat. HHH instructed her to hold his penis and threatened to burn her face with a cigarette if he did not follow. She resisted, prompting HHH to use a cigarette to burn her left cheek. When AAA refused to hold HHH's penis, he spanked her with a thick wood. HHH made her lie on her stomach. Thereafter, he inserted his penis in the anal orifice of AAA and told her: "*Manahimik ka minisan lang ito. Katagal tagal mo na itong ginagawa tapos sasabihin mo ito ngayon*." He licked her vagina and left the room.[21]

At around 12:00 p.m. of May 13, 2014, HHH again instructed AAA to hold his penis. AAA did as instructed, in fear that she would get spanked again. She held his penis tightly as instructed by HHH. He then held AAA's hands while holding his penis to masturbate. After semen came out of his penis, he inserted his penis into AAA's vagina.[22] Before HHH left the house at around 7:00 p.m., he again instructed AAA to clean the room. While inside the room, HHH told AAA to lie down, and he inserted his fingers inside her vagina.[23]

Initially, AAA thought of letting the incidents of abuse pass so that HHH would not do the same to her siblings. However,

---

[19] *Id.* at 7-A.

[20] *Id.*

[21] *Id.*

[22] *Id.*

[23] *Id.*

BBB and CCC informed her that they, too, had been abused by HHH. Thus, they reported the incident.[24]

HHH was invited to the barangay hall on May 14, 2014 and was then taken to Police Station 3 in Pulung Maragul, Angeles City.[25]

HHH vehemently denied the charges against him. He averred that on May 13, 2014, at 7:00 p.m., he was in Xevera, Mabalacat, Pampanga, plying his jeepney route. He explained that he would usually start working at 6:00 p.m. and would go home around 5:00 or 5:30 a.m. DDD stayed at her place of employment so when HHH is working, it is the children's aunt, EEE,[26] who stays with them. HHH maintained that he does not know of any reason why his daughters would accuse him of sexually abusing them.[27]

Ruling of the Regional Trial Court

On December 29, 2017, the Regional Trial Court (RTC) rendered its Decision,[28] the dispositive portion of which reads:

> WHEREFORE, premises considered, the court renders judgment as follows:
>
> 1. In **Criminal Case No. 14-11713,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape by Sexual Assault defined in paragraph 2, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353 embodied in the Information dated May 15, 2014.
>
> Accordingly, accused HHH is hereby **SENTENCED** to suffer an indeterminate penalty of six (6) years of *prision correccional* as the minimum term to ten (10) years of *prision mayor* as the maximum term, with credit of his preventive imprisonment.

---

[24] *Id.* at 79.

[25] *Id.*

[26] *Supra* note 3.

[27] CA *rollo,* pp. 77-77A.

[28] Penned by Presiding Judge Maria Angelica T. Paras-Quiambao; CA *rollo,* pp. 76-87.

The charge for Violation of Section 10(a) of Republic Act No. 7610 in Criminal Case No. 14-11713 is hereby **DISMISSED**.

Accused HHH is hereby ordered to **INDEMNIFY** private complainant AAA with: (*a*) civil indemnity in the amount of Thirty thousand pesos (₱30,000.00); (*b*) moral damages in the amount of Thirty thousand pesos (₱30,000.00); and (*c*) exemplary damages in the amount of Twenty five thousand pesos (₱25,000.00).[29]

2. In **Criminal Case No. 14-11714,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape by Sexual Assault defined in paragraph 2, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353 embodied in the Information dated May 15, 2014.

Accordingly, accused HHH is hereby SENTENCED to suffer an indeterminate penalty of six (6) years of prision correccional as the minimum term to ten (10) years of prision mayor as the maximum term, with credit of his preventive imprisonment.

The charge for Violation of Section 10(a) of Republic Act No. 7610 in Criminal Case No. 14-11714 is hereby **DISMISSED.**

Accused HHH is hereby ordered to **INDEMNIFY** private complainant AAA with: (*a*) civil indemnity in the amount of Thirty thousand pesos (₱30,000.00); (*b*) moral damages in the amount of Thirty thousand pesos (₱30,000.00); (*c*) exemplary damages in the amount of Twenty five thousand pesos (₱25,000.00).[30]

3. In **Criminal Case No. 14-11715,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape defined in paragraph 1, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353 embodied in the Information dated May 15, 2014.

Accordingly, accused HHH is hereby SENTENCED to suffer the penalty of *reclusion perpetua*, with credit of his preventive imprisonment.

Accused HHH is hereby ordered to **INDEMNIFY** private complainant AAA with: *(a)* civil indemnity in the amount of Seventy five thousand pesos (₱75,000.00); *(b)* moral damages in the amount of Seventy

---

[29] *Id.* at 86-86-A.

[30] *Id.* at 86-A.

five thousand pesos (₱75,000.00); and *(c)* exemplary damages in the amount of Fifty thousand pesos (₱50,000.00).[31]

4. In **Criminal Case No. 14-12400,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape defined in paragraph 1, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353 embodied in the Information dated June 16, 2014.

Accordingly, accused HHH is hereby **SENTENCED** to suffer the penalty of *reclusion perpetua*, with credit of his preventive imprisonment.

Accused HHH is hereby ordered to **INDEMNIFY** private complainant BBB with: *(a)* civil indemnity in the amount of Seventy five thousand pesos (₱75,000.00); *(b)* moral damages in the amount of Seventy five thousand pesos (₱75,000.00); and *(c)* exemplary damages in the amount of Fifty thousand pesos (₱50,000.00).[32]

5. In **Criminal Case No. 14-12401,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape defined in paragraph 1, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353 embodied in the Information dated June 16, 2014.

Accordingly, accused HHH is hereby **SENTENCED** to suffer the penalty of *reclusion perpetua*, with credit of his preventive imprisonment.

Accused HHH is hereby ordered to **INDEMNIFY** private complainant BBB with: *(a)* civil indemnity in the amount of Seventy five thousand (₱75,000.00); *(b)* moral damages in the amount of Seventy five thousand pesos (₱75,000.00); and *(c)* exemplary damages in the amount of Fifty thousand pesos (₱50,000.00).[33]

6. In **Criminal Case No. 14-12402,** the court finds accused HHH **GUILTY BEYOND REASONABLE DOUBT** of the crime Rape by Sexual Assault defined in paragraph 2, Article 266-A of the Revised Penal Code, as amended by Republic Act No. 8353, committed with the aggravating/ qualifying circumstances of the accused being the father of the victim, embodied in the Information dated June 16, 2014.

---

[31] *Id.*

[32] *Id.*

[33] *Id.* at 86-A-87.

Accordingly, accused HHH is hereby **SENTENCED** to suffer an indeterminate penalty of twelve (12) years of *prision mayor* as the minimum term to twenty years of *reclusion temporal* as the maximum term, with credit of his preventive imprisonment.

The charge for Violation of Section 10(a) of Republic Act No. 7610 in Criminal Case No. 14-12402 is hereby **DISMISSED**.

Accused HHH is hereby ordered to **INDEMNIFY** private complainant CCC with: *(a)* civil indemnity in the amount of Fifty thousand pesos (₱50,000.00); *(b)* moral damages in the amount of Fifty thousand pesos (₱50,000.000); and *(c)* exemplary damages in the amount of Thirty thousand pesos (₱30,000.00).

No costs.[34] (Emphasis, italics, and underscoring in the original)

The RTC found HHH civilly and criminally liable for two counts of Rape by Sexual Assault and one count of Rape by Carnal Knowledge in Criminal Case Nos. 14-11713 to 14-11715.[35] The RTC declined to appreciate the qualifying circumstance of father-daughter relationship in Criminal Case Nos. 14-11713 to 14-11715 as the same was not alleged in the Informations.[36]

In Criminal Case Nos. 14-12400 to 14-12401, HHH was found guilty of two counts of Rape by Carnal Knowledge. Though not alleged in the Information, the RTC considered the father-daughter relationship admitted by HHH to take the place of violence required in Rape by Carnal Knowledge.[37] However, their relationship was not considered as a qualifying circumstance to impose the maximum sentence on HHH.[38]

RTC also convicted HHH of Rape by Sexual Assault in Criminal Case No. 14-12402. The RTC found the medico-legal

---

[34] *Id.* at 87.

[35] *Id.* at 80-A-82-A.

[36] *Id.* at 82-A.

[37] *Id.* at 82-A-84.

[38] *Id.* at 84.

report reflecting results of the medical examination and testimony of CCC convincing.[39]

On appeal, HHH impugned the findings of the RTC and raised the following errors:

I

THE TRIAL COURT GRAVELY ERRED IN CONVICTING THE ACCUSED-APPELLANT OF TWO (2) COUNTS OF RAPE BY CARNAL KNOWLEDGE IN CRIMINAL CASE NUMBERS 14-12400 TO 14-12401 AND ONE (1) COUNT OF RAPE BY SEXUAL ASSAULT IN CRIMINAL CASE NUMBER 14-12402, DESPITE THE FACT THAT HIS CONSTITUTIONAL RIGHT TO BE FULLY APPRAISED OF THE CHARGES AGAINST HIM HAS BEEN VIOLATED.

II

THE TRIAL COURT GRAVELY ERRED IN GIVING FULL WEIGHT AND CREDENCE TO THE INCREDULOUS TESTIMONIES OF THE PRIVATE COMPLAINANTS.

III

THE TRIAL COURT GRAVELY ERRED IN CONVICTING TFIE ACCUSED-APPELLANT OF THREE (3) COUNTS OF RAPE BY SEXUAL ASSAULT AND THREE (3) COUNTS OF RAPE BY CARNAL KNOWLEDGE DESPITE THE PROSECUTION'S FAILURE TO PROVE THE ELEMENTS THEREOF BEYOND REASONABLE DOUBT.[40]

In the Appellant's Brief,[41] the defense claimed that the Information for Criminal Case Nos. 14-12400, 14-12401, and 14-12402 were defective because these merely alleged that the incidents happened "on or about the year 2012," and "on or about the month of March 2014," depriving HHH of his constitutional right to be informed of the nature and cause of accusation against him.[42] HHH argued that while the date of

---

[39] *Id.* at 84-85-A.

[40] *Id.*

[41] *Id.* at 48-69.

[42] *Id.* at 59-60.

commission of the crime is not an element of rape, he was deprived of the opportunity to intelligently prepare his defense as he was left to guess on which particular date he had to account for his whereabouts and prove his physical inability to commit the alleged offense.[43] HHH suggested that AAA's testimony is doubtful because if it were really true that she was raped on May 13, 2014, AAA should have reported him instead of continuing to live in the same house.[44] HHH further maintained that BBB lacked the necessary discernment to know the seriousness of her accusation and implied that she was coached on what to say.[45] HHH also pointed out that the allegations of rape and molestation are highly unbelievable because these allegedly happened inside their house occupied by five families. HHH insisted that, with the presence of too many people living in the same house, it is incredible and highly unbelievable that the alleged rape of any of the three complainants could have gone on since 2012 unnoticed.[46] HHH also questioned the medico-legal reports presented, arguing that these cannot be used as conclusive proof of his guilt.[47]

On the other hand, in the Appellee's Brief,[48] the Office of the Solicitor General (OSG) maintained that the evidence on record established beyond reasonable doubt that HHH committed three counts of Statutory Rape and three counts of Rape by Sexual Assault.[49] The OSG opined that the alleged improbabilities of the victims' testimonies as to the exact time and date when the rape took place do not detract from the credibility of their testimonies as these merely refer to collateral matters which do not touch upon the commission of the crimes.

---

[43] *Id.* at 60.

[44] *Id.* at 63.

[45] *Id.* at 63-64.

[46] *Id.* at 65

[47] *Id.* at 66.

[48] *Id.* at 95-114.

[49] *Id.* at 104-110.

The OSG explained that, considering the minority of the victims, they were not sophisticated enough to remember every detail of the incidents of abuse as well as the exact dates of their commission.[50] The OSG recommended that the indeterminate penalty should be imposed in its maximum considering the qualifying circumstance of minority and relationship.[51] The OSG also suggested a modification of the award of pecuniary liability pursuant to the Court's ruling in *People v. Jugueta*.[52]

Ruling of the Court of Appeals

On March 27, 2019, the CA rendered its Decision,[53] the dispositive portion of which reads:

> **WHEREFORE**, the appeal of accused-appellant is hereby **DISMISSED** for lack of merit. The Decision dated December 29, 2017 of the Regional Trial Court of Angeles City, Branch 59, convicting him of three (3) counts of Statutory Rape and three (3) counts of Rape through Sexual Assault is **AFFIRMED with MODIFICATION** as to the award of damages in Criminal Case Nos. 14-11715, 14-12400 and 14-12401 which shall now be, as follows: civil indemnity in the amount of Php 100,000; moral damages in the amount of Php 100,000.00 and Php 100,000.00 as exemplary damages. As for Criminal Case Nos. 14-11713, 14-11714 and 14-12402, the award shall be increased to Php 75,000.00 as civil indemnity; Php 75,000.00 as moral damages and Php 75,000.00 as exemplary damages. He shall pay an interest of six percent (6%) per *annum* on all damages awarded from the date of finality of this decision until fully paid.
>
> **SO ORDERED.**[54] [Emphasis and italics in the original]

In affirming the conviction of HHH, the CA ruled that the failure to specify the exact date when the rape occurred does not *ipso facto* make the information defective on its face. The CA recognized that rape victims cannot be expected to give an

---

[50] *Id.* at 111-112.

[51] *Id.* at 113.

[52] *Id.*

[53] *Supra* note 2.

[54] *Rollo,* pp. 20-21.

accurate account of the traumatic and horrifying experience they had undergone. For the CA, what is important is that all the complainants were unfaltering in their declaration that they were raped and molested by their own father.[55] The CA also explained that the lack of immediate response from the daughters of HHH or the fact that they continued to live in the same house where he lived did not diminish the veracity or reliability of their testimony. They cannot be expected to immediately flee after the first incident of rape because they were too young, had no money, and had no means to live elsewhere. They submitted to their father's lewdness out of fear.[56]

The CA also held that the claim of BBB was corroborated by the medical findings of Dr. Caranto. The physician established through his physical examination of BBB that he found healed laceration on the 9 o'clock and 8 o'clock areas of BBB's vagina. These could have been caused by a blunt object inserted therein more than seven days ago. He also found that BBB's hymen was no longer present which is unusual for a 13 year old.[57]

The CA also ruled that CCC's testimony is entitled to full faith and credit as there is no showing of any dubious reason or improper motive for her to testify falsely against her own father.[58]

The CA declared that the presence of other occupants of the house is not necessarily a deterrent to the commission of the crime. For the CA, considering the tender age of the victims, their innocence and naivete, they cannot be expected to oppose to what was being done to their other siblings. It is neither impossible nor incredible that HHH raped his daughters unnoticed.[59]

---

[55] *Id.* at 14-15.

[56] *Id.* at 17.

[57] *Id.* at 17-18.

[58] *Id.* at 18-19.

[59] *Id.* at 19-20.

On April 8, 2019, HHH filed a Notice of Appeal.[60] The Court notified the parties to file their supplemental briefs.[61] However, HHH opted to adopt his Appellant's Brief as his supplemental brief.[62] For its part, the OSG manifested that it would not file a supplemental brief considering that the issues were already exhaustively discussed in the Decision of the CA and Appellee's Brief.[63]

Issues

The issues to be resolved are:

1. Whether the Information for Criminal Case Nos. 14-12400, 14-12401, and 14-12402 are defective because these merely alleged that the incidents happened "on or about the year 2012," and "on or about the month of March 2014," depriving HHH of his constitutional right to be informed of the nature and cause of accusation against him;

2. Whether the prosecution established HHH's guilt beyond reasonable doubt in Criminal Case Nos. 14-11713 and 14-11714 for two counts of Rape by Sexual Assault; and for one count of Statutory Rape in Criminal Case No. 14-11715.

3. Whether the prosecution established HHH's guilt beyond reasonable doubt in Criminal Case Nos. 12400, and 14-12401 for two counts of Statutory Rape; and

4. Whether the CA imposed the correct penalties and monetary awards.

Ruling of the Court

The Information for Criminal Case Nos. 14-12400 and 14-12401 are not defective. However, HHH should be

---

[60] *Id.* at 22.

[61] *Id.* at 31.

[62] *Id.* at 39.

[63] *Id.* at 34.

acquitted in Criminal Case No. 14-12402 for failure to prove that the incident of Rape by Sexual Assault occurred "on or about the month of March 2014."

HHH asserts that he was deprived of his constitutional right to be informed of the nature and cause of accusation against him because the Information for Criminal Case Nos. 14-12400, 14-12401, and 14-12402 merely alleged that the incidents of abuse happened "on or about the year 2012," and "on or about the month of March 2014."[64]

Section 11, Rule 110 of the Rules of Court states:

> Section. 11. *Date of Commission of the Offense*. - It is not necessary to state in the complaint or information the precise date the offense was committed except when it is a material ingredient of the offense. The offense may be alleged to have been committed on a date as near as possible to the actual date of its commission.[65]

It is not essential that the date of commission of the offense be alleged in the Information with ultimate precision.[66] In Criminal Case Nos. 14-12400 and 14-12401, while it is true that the Information only alleged "on or about the year 2012" and BBB could not specifically indicate the exact date when the incidents of rape occurred, it is understandable why she was unable to state the specific dates because rape, by itself, is a traumatic experience; more so when it is committed by her very own father. Thus, the fact that the two separate Informations alleged "on or about the year 2012" should not be taken against BBB.

On the other hand, the lower courts committed error in convicting HHH of Rape by Sexual Assault under Article 266-A(2) of the Revised Penal Code (RPC). Noticeably, CCC testified on an alleged incident of abuse that occurred in March 2012.

---

[64] CA *rollo,* p. 60.

[65] RULES OF COURT, RULE 110, Sec. 11.

[66] *People v. Jampas*, 610 Phil. 652, 662 (2009).

In CCC's Complaint Judicial Affidavit,[67] she alleged that the incident of abuse occurred in March 2012, as revealed in the following exchange:

T-3. KAILAN AT SAAN NANGYARI ANG INSIDENTENG IYON NABANGGIT?

S-3. Noong 11 taong gulang pa lamang ako. Naalala ko nga iyon buwan **Marso taong 2012** ng may gawing masama si papa ko sa akin. Sa mismong bahay namin sa Dist. 6, Blk. 105, Lot 12 Brgy. Pulung-Cacutad Lungsod ng Angeles.

T-4: PAANO NANGYARI ANG INSIDENTENG IYONG NABANGGIT?

S-4: Natutulog ako noon ng gabi ng **Marso** sa hindi ko po matandaang petsa ng taong **2012** ay nagising ako x x x[68] (Emphasis supplied)

This fact became even more apparent when CCC testified during trial as revealed in the following exchange:

ATTY. TOKIAS: (to witness)

Q When you executed your Complaint Judicial Affidavit in May 2014, that time, HHH was already in Jail?

A Yes, sir.

Q What you can recall as to the alleged incident was the March 2012 incident?

A Yes, sir.

Q And other than that you could not recall what are the other dates of the alleged incident that happened to you?

A **Not anymore.**

Q You mean **after March 2012 nothing happened to you at that time?**

A **None anymore**[69] (Emphasis supplied)

---

[67] Records (Criminal Case No. 14-12402), p. 10.

[68] *Id.*

[69] TSN dated September 9, 2015, p. 9.

It is clear from the foregoing that after March 2012, nothing happened to CCC. This belies her claim of molestation in March 2014 and is inconsistent with the allegations stated in the Information.

March 2012 is a period outside the date alleged in the Information for Criminal Case No. 14-12402 which describes an incident that occurred "on or about March 2014." This is two years after the incident referred to by CCC in her testimony. It is settled that the Information must indicate a date which is not so remote as to surprise and prejudice the accused.[70] Convicting HHH of an offense committed outside the period alleged in the Information is a violation of his constitutional right to be informed of the nature and cause of accusation against him.

The prosecution established HHH's guilt beyond reasonable doubt in Criminal Case Nos. 14-11713 and 14-11714 for two counts of Rape by Sexual Assault, and one count of Statutory Rape in Criminal Case No. 14-11715.

After a careful review of the records of this case, the Court finds no cogent reason to reverse the rulings of the RTC and the CA finding HHH guilty of the acts charged against him in Criminal Case Nos. 14-11713, 14-11714 and 14-11715. However, a modification of the nomenclature of the offenses committed in Criminal Case Nos. 14-11713 and 14-11714 is in order.

There is a need to clarify the proper nomenclature of the offenses HHH is charged with in Criminal Case No. 14-11713 and 14-11714 for purposes of uniformity. In Criminal Case Nos. 14-11713 and 14-11714, instead of Rape by Sexual Assault, HHH should be held liable for Sexual Assault under Article 266-A (2) of RPC in relation to Section 5(b) of Republic Act No. (R.A.) 7610.[71] In *People v. Tulagan*,[72] the Court explained that:

---

[70] *People v. Jampas*, *supra* note 61.

[71] *Id.*

[72] G.R. No. 227363, March 12, 2019.

Considering the development of the crime of sexual assault from a mere "crime against chastity" in the form of acts of lasciviousness to a "crime against persons" akin to rape, as well as the rulings in *Dimakuta* and *Caoili*, We hold that **if the acts constituting sexual assault are committed against a victim under 12 years of age or is demented, the nomenclature of the offense should now be "Sexual Assault under paragraph 2, Article 266-A of the RPC in relation to Section 5 (b) of R.A. No. 7610**" and no longer "Acts of Lasciviousness under Article 336 of the RPC in relation to Section 5 (b) of R.A. No. 7610," because sexual assault as a form of acts of lasciviousness is no longer covered by Article 336 but by Article 266-A (2) of the RPC, as amended by R.A. No. 8353. Nevertheless, the imposable penalty is still *reclusion temporal* in its medium period, and not *prision mayor*[73] (Emphasis supplied)

The reliance of the RTC and the CA in the testimony of AAA was proper as it was clear and categorical. Her claim was also supported by the Medico-Legal Report[74] prepared by Dr. Nae Ann V. Mandal (Dr. Mandal) who conducted a physical examination on AAA, the pertinent portion of which states:

Circular abrasion, 1 x lcm cheek left.
Tanner stage 1 breast.
Tanner stage 1 external genitalia hair distribution.
GENIALIA: Labia minora erythematous.
Cervical laceration, incomplete healed 12 o'clock,
6 o'clock, 3 o'clock, and 9 o'clock position.
DRE: Full rectal vault
Non erythematous.[75]

Noticeably, the medical findings of Dr. Mandal supports the claim of AAA that HHH burned her left cheek with a cigarette when she initially refused to submit to HHH's carnal desire.[76] This is consistent with AAA's claim on how she sustained her

---

[73] *Id.*

[74] Records (Criminal Case Nos. 14-11713 to 14-11715), p. 18.

[75] *Id.*

[76] CA *rollo*, p. 79.

facial injury. Dr. Mandal also confirmed that the cervical laceration she noted could have been caused by a foreign object such as a finger, a penis or any hard object.[77]

From the testimonies of the prosecution witnesses, the elements of the crime of statutory rape under Article 266-A of the RPC. Statutory rape is committed when: (1) the offended party is under 12 years of age; and (2) the accused had carnal knowledge of her, regardless of whether there was force, threat or intimidation, whether the victim was deprived of reason or consciousness, or whether it was done through fraud or grave abuse of authority. It is termed Statutory Rape as it departs from the usual modes of committing rape. The law presumes that the victim does not and cannot have a will of her own on account of her tender years. What the law punishes in Statutory Rape is carnal knowledge of a woman below 12 years old. Thus, force, intimidation, and physical evidence of injury are not relevant considerations; the only pertinent concern is the age of the woman and whether carnal knowledge indeed took place.[78]

Meanwhile, the following are the elements of Rape by Sexual Assault under Article 266-A(2) of the RPC:

(1) That the offender commits an act of sexual assault;
(2) That the act of sexual assault is committed by any of the following means:
(a) By inserting his penis into another person's mouth or anal orifice; or
(b) By inserting any instrument or object into the genital or anal orifice of another person;
(3) That the act of sexual assault is accomplished under any of the following circumstances:
(a) By using force and intimidation;
(b) When the woman is deprived of reason or otherwise unconscious; or
(c) By means of fraudulent machination or grave abuse of authority; or

[77] *Id.* at 75-A.

[78] *People v. Manson*, 801 Phil. 130-141 (2016).

(d) **When the woman is under 12 years of age** or demented.[79] (Emphasis supplied)

All the foregoing elements for the offenses charged against HHH were proven beyond reasonable doubt. Notwithstanding her youth and innocence, AAA was able to narrate in detail her traumatic experience in the hands of HHH who ravished and sexually molested her. She convincingly recounted her harrowing experience on May 13, 2014. At 7:00 a.m., HHH he made her lie on a mat, instructed her to hold his penis and threatened to burn her face with a cigarette if she did not follow. When she refused to obey him, HHH used a cigarette to burn her left cheek. When AAA refused again to hold HHH's penis, he spanked her with a thick wood. HHH made her lie on her stomach. Thereafter, he inserted his penis in the anal orifice of AAA and licked her vagina. At around 12:00 p.m. on May 13, 2014, HHH again instructed AAA to hold his penis. AAA did as instructed for fear that HHH would hurt her again. She held his penis tightly as instructed. He then held AAA's hands while holding his penis to masturbate. After semen came out of his penis, he inserted his penis into AAA's vagina. Before HHH left the house at around 7:00 p.m., he again instructed AAA to clean the room. While inside the room, HHH told AAA to lie down and inserted his fingers inside her vagina.

The prosecution established HHH's guilt beyond reasonable doubt in Criminal Case Nos. 14-12400, and 14-12401 for two counts of Statutory Rape. [BBB complaint]

In Criminal Case No. 14-12400 and 14-12401, the prosecution was able to establish beyond reasonable doubt that HHH had carnal knowledge of BBB on two incidents in 2009, when BBB was just 10 years old. BBB convincingly relayed how HHH molested her. BBB's testimony is further bolstered by the findings of Dr. Caranto, which confirmed the injuries she sustained. Dr. Caranto's report stated:

---

[79] REVISED PENAL CODE, Article 266-A, paragraph 2.

SKIN:	(-) Bite marks.
HEENT:	A traumatic.
CHEST/ LUNHGS:	SCE, CBS
HEART:	(-) murmur
ABDOMEN:	Flat non-tender
GENITALIA:	Internal: (+) Abrasion all over vaginal canal (-) Hymen
EXTERNAL:	Tanner tage 1
EXTREMITIES:	No bipedal edema
BREADT (*sic*):	Tanner stage 1.[80]

The testimonies of the private complainants are not doubtful despite the fact that they continued to live with HHH after the first incident of abuse.

The fact that HHH's daughters continued to live with him after the alleged incidents of abuse should not be taken against them. It must be remembered that no child has equal power to say 'no' to a parental figure and understand the consequences of sexual involvement with an adult. The threat of loss of family security may be more frightening to a child than the threat of violence.

More importantly, it is settled that testimonies of child victims are given full weight and credit, because when a woman, more so if she is a minor, says that she has been raped, she says in effect all that is necessary to show that rape was committed. Youth and immaturity are generally badges of truth and sincerity.[81] It is incredible to believe that HHH's daughters would concoct a story that would send their father to jail, allow an examination of their private parts, and permit themselves to be subjected to a public trial, unless they are motivated solely by the desire to have their own father punished for his transgressions.

---

[80] Records (Criminal Case Nos. 14-11713 to 14-11715), p. 59.

[81] *People v. Vergara*, 724 Phil. 702, 709 (2014).

To Our mind, the positive and categorical testimonies of AAA and BBB are consistent with the other pieces of evidence presented by the prosecution to prove the abuse they suffered in the hands of their father. When a rape victim's testimony is straightforward and candid, unshaken by rigid cross-examination and unflawed by inconsistencies or contradictions in its material points, the same must be given full faith and credit.

Although it is admitted that HHH and his family shared a house with other families, this fact did not make it impossible for the crimes to be committed. The Court has recognized that many incidents of rape were not always committed in secluded places. As aptly stated by the Court, "lust is no respecter of time or place, and rape defies constraints of time and space."[82]

Imposable Penalties & Damages

It must be clarified that, while HHH admitted and it was proven during trial that he is the father of AAA, BBB, and CCC, the qualifying circumstance of relationship cannot be appreciated by the Court. Section 8, Rule 110 of the Rules expressly require that:

> Section 8. *Designation of the offense*. - The complaint or information shall state the designation of the offense given by the statute, aver the acts or omissions constituting the offense, and specify its qualifying and aggravating circumstances. If there is no designation of the offense, reference shall be made to the section or subsection of the statute punishing it. (Emphasis and italics in the original; underscoring supplied)

Accordingly, even if established during trial, the qualifying circumstance of relationship cannot affect the penalty to be imposed on HHH. He cannot be convicted of the graver offense of qualified rape, although proven, because relationship was neither alleged nor necessarily included in the six Informations filed against him.[83]

---

[82] *People v. Pareja*, 724 Phil. 759, 777 (2014).

[83] *People v. Dadulla*, 657 Phil. 442, 457 (2011).

The lower courts committed error in applying *prision mayor*, as stated in Article 266-B of the RPC, in ascertaining the indeterminate penalty to be imposed on HHH for the two counts of Sexual Assault under Article 266-A(2) of the RPC in relation to Section 5(b) of R.A. 7610 in Criminal Case Nos. 14-11713, 14-11714 and 14-12402. In *Franco y Eslaban v. People*[84], the Court explained:

> In the case of *People of the Philippines v. Rolando Bagsic y Valenzuela*, the Court, citing the case of *People v. Ching*, stressed that an accused who is found guilty of sexual assault committed against a child below 12 years of age shall suffer the higher penalty of *reclusion temporal* in its medium period, as provided for in Section 5 (b), Article III of R.A. No. 7610, rather than *prision mayor* under Article 266-B of the RPC[.][85] [Italics in the original, citations omitted]

Similarly, in *People v. Tulagan*,[86] the Court adopted the imposable penalty of *reclusion temporal* in its medium period instead of applying the penalty under Article 266-B of the RPC. Thus, it is settled that the imposable penalty for Sexual Assault under Article 266-A(2) of the Revised Penal Code in relation to Section 5(b) of R.A. 7610 is *reclusion temporal* in its medium period. HHH, who is found guilty of sexual assault committed against a child below 12 years of age in Criminal Case Nos. 14-11713, 14-11714 and 14-12402, shall suffer the higher penalty of *reclusion temporal* in its medium period, as provided for in Section 5(b), Article III of R.A. 7610.

Applying the Indeterminate Sentence Law, the maximum term shall be taken from the medium period of *reclusion temporal* in its medium period, which is 15 years, 6 months and 20 days to 16 years, 5 months and 9 days; while the minimum term is within the range of the penalty next lower than that prescribed by law, which is 12 years and 1 day to 14 years and 8 months of *reclusion temporal* in its minimum period. Accordingly, in

---

[84] G.R. No. 240480 (Notice), March 13, 2019.

[85] *Id.*

[86] *Supra* note 72.

Criminal Case Nos. 14-11713 and 14-11714, HHH is sentenced to suffer the indeterminate penalty ranging from 14 years and 8 months of *reclusion temporal* in its minimum period, as minimum, to 16 years, 5 months and 9 days of *reclusion temporal* in its medium period, as maximum.

In Criminal Case Nos. 14-11715, 14-12400, and 14-12401 for Rape under Article 266-A(l) in relation to Article 266-B of the RPC, We affirm that HHH should suffer the penalty of *reclusion perpetua* in accordance with paragraph 1 (d), Article 266-A in relation to Article 266-B of the RPC, as amended by R.A. 8353.

In accordance with the Court's ruling in *People v. Tulagan*,[87] HHH is directed to pay the amounts of ₱50,000.00 as civil indemnity, ₱50,000.00 as moral damages, and ₱50,000.00 as exemplary damages for each count of Sexual Assault under Article 266-A(2) of the Revised Penal Code in relation to Section 5(b) of R.A. 7610 in Criminal Case Nos. 14-11713 and 14-11714. The monetary award granted in Criminal Case Nos. 14-14715, 14-12400, and 14-12401 are consistent with prevailing jurisprudence.

WHEREFORE, premises considered, the assailed Decision dated March 27, 2019 of the Court of Appeals in CA-G.R. CR-HC No. 10435 is hereby **SET ASIDE.** We find accused-appellant HHH:

1. **GUILTY** beyond reasonable doubt of two (2) counts of Sexual Assault under Article 266-A(2) of the Revised Penal Code in relation to Section 5(b) of Republic Act No. 7610 in Criminal Case Nos. 14-11713 and 14-11714. For each count, accused-appellant HHH is sentenced to suffer the indeterminate penalty ranging from fourteen (14) years and eight (8) months of *reclusion temporal* in its minimum period, as minimum, to sixteen (16) years, five (5) months and nine (9) days of *reclusion temporal* in its medium period, as maximum. Accused-appellant HHH is **ORDERED** to pay AAA the amounts of ₱50,000.00

[87] *Id.*

as civil indemnity, ₱50,000.00 as moral damages, and ₱50,000.00 as exemplary damages for each count.

2. **GUILTY** beyond reasonable doubt of three counts of Statutory Rape under Article 266-A(l) in relation to Article 266-B of the Revised Penal Code in Criminal Case Nos. 14-11715, 14-12400, and 12401. For each count, accused-appellant HHH is sentenced to suffer the penalty of *reclusion perpetua*. In Criminal Case No. 14-11715, Accused-appellant HHH is **ORDERED** to pay AAA the amounts of ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages. In Criminal Case Nos. 14-12400 and 14, 12401, accused-appellant HHH is **ORDERED** to pay BBB the amounts of ₱100,000.00 as civil indemnity, ₱100,000.00 as moral damages, and ₱100,000.00 as exemplary damages, for each count.

In Criminal Case No. 14-12402, accused-appellant HHH is **ACQUITTED** for failure to prove his guilt beyond reasonable doubt.

Legal interest of six percent (6%) *per annum* is imposed on all damages awarded from the date of finality of this Decision until fully paid.

SO ORDERED.

Leonen (Chairperson), *Gesmundo, Zalameda,* and *Gaerlan, JJ.,* concur.

INDEX

INDEX

ACTIONS

Action for reconveyance — In an action for reconveyance, the decree is not sought to be set aside, as the same is respected as incontrovertible and no longer open to review; what is being sought is the transfer or reconveyance of the land from the registered owner to the rightful owner. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al*. *vs*. Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

— In *Heirs of Kionisala v. Heirs of Dacut*, the Court distinguished between an action for nullity or cancellation of free patents, an action for reversion and an action for reconveyance, thus: an ordinary civil action for declaration of nullity of free patents and certificates of title is not the same as an action for reversion; the difference between them lies in the allegations as to the character of ownership of the realty whose title is sought to be nullified. (Esguerra, substituted by her Heirs *vs.* Spouses Ignacio, *et al*., G.R. No. 216597, Aug. 26, 2020) p. 655

— With respect to the purported cause of action for reconveyance, it is settled that in this kind of action the free patent and the certificate of title are respected as incontrovertible; what is sought instead is the transfer of the property, in this case the title thereof, which has been wrongfully or erroneously registered in the defendant's name; all that must be alleged in the complaint are two (2) facts which admitting them to be true would entitle the plaintiff to recover title to the disputed land, namely, (1) that the plaintiff was the owner of the land and, (2) that the defendant had illegally dispossessed him of the same. (*Id.*)

Actions for nullity or cancellation of free patents, for reversion, and for reconveyance — In an action for reversion, the pertinent allegations in the complaint would admit State ownership of the disputed land; on the other hand, a cause of action for declaration of nullity of free patent and certificate of title would require allegations of the

plaintiff's ownership of the contested lot prior to the issuance of such free patent and certificate of title as well as the defendant's fraud or mistake; as the case may be, in successfully obtaining these documents of title over the parcel of land claimed by plaintiffs, the real party-in-interest is not the State but the plaintiff who alleges a pre-existing right of ownership over the parcel of land in question even before the grant of title to the defendant. (Esguerra, substituted by her Heirs *vs.* Spouses Ignacio, *et al.*, G.R. No. 216597, Aug. 26, 2020) p. 655

Moot and academic cases — A case becomes moot and academic when it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value." (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

— In *Land Bank of the Philippines v. Fastech Synergy Philippines. Inc.,* this Court reiterated the exceptions to this rule: In *Timbol v. Commission on Elections:* A case is moot and academic if it "ceases to present a justiciable controversy because of supervening events so that a declaration thereon would be of no practical use or value." (*Id.*)

— There is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition; courts generally decline jurisdiction over such case or dismiss it on the ground of mootness; this is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced." (ABS-CBN Corporation *vs.* National Telecommunications Commission, G.R. No. 252119, Aug. 25, 2020) p. 507

— To expound, "a case or issue is considered moot and academic when it ceases to present a justiciable controversy

by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use." (*Id.*)

— When a case is moot and academic, this court generally declines jurisdiction over it; there are recognized exceptions to this rule; this court has taken cognizance of moot and academic cases when: (1) there was a grave violation of the Constitution; (2) the case involved a situation of exceptional character and was of paramount public interest; (3) the issues raised required the formulation of controlling principles to guide the Bench, the Bar and the public; and (4) the case was capable of repetition yet evading review. (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

ADMINISTRATIVE LAW

Doctrine of exhaustion of administrative remedies — In questioning the validity or constitutionality of a rule or regulation issued by an administrative agency, a party need not exhaust administrative remedies before going to court, as this principle applies only when the act of the administrative agency concerned was performed pursuant to its quasi-judicial function, and not when the assailed act pertained to its rule-making or quasi-legislative power; doctrine of exhaustion of administrative remedies, not applicable to question the validity of Department of Transportation and Communications (DOTC) Department Order No. 2007-28, as the same was enacted pursuant to the DOTC's exercise of its delegated legislative power. (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

AGGRAVATING CIRCUMSTANCES

Abuse of superior strength — The appreciation of the aggravating circumstances of abuse of superior strength depends on the age, size and strength of the parties; in a long line of cases, the Court has consistently held that an attack made by a man with a deadly weapon upon an unarmed and defenseless woman constitutes the circumstance of abuse of that superiority which his sex and the weapon used in the act afforded him, and from which the woman was unable to defend herself. (People *vs.* Serafin, G.R. No. 246197, July 29, 2020) p. 65

— The circumstances of abuse of superior strength is present whenever there is inequality of force between the victim and the aggressor, assuming a situation of superiority of strength notoriously advantageous for the aggressor, and the latter takes advantage of it in the commission of the crime; evidence must show that the assailants consciously sought the advantage or that they had the deliberate intent to use this advantage. (*Id.*)

ALIBI

Defense of — Jurisprudentially, while his *alibi* can be considered as a valid defense, the following elements must be alleged and proven for it to be entitled merit: (a) that he was present at another place at the time of the perpetration of the crime, and (b) that it was physically impossible for him to be at the scene of the crime during its commission. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— Physical impossibility refers to distance and the facility of access between the crime scene and the location of the accused when the crime was committed; he must demonstrate that he was so far away and could not have been physically present at the crime scene and its immediate vicinity when the crime was committed. (*Id.*)

AN ACT ADJUSTING THE AMOUNT OR THE VALUE OF PROPERTY AND DAMAGE ON WHICH A PENALTY IS BASED AND THE FINES IMPOSED UNDER THE REVISED PENAL CODE (R.A. NO. 10951)

Application of — On August 29, 2017, President Rodrigo Roa Duterte signed into law R.A. No. 10951 that sought, among others, to help indigent prisoners and individuals accused of committing petty crimes; it also increased the fines for treason and the publication of false news; and likewise increased the baseline amounts and values of property and damage to make them commensurate to the penalties meted on the offenses committed in relation to them. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

— Pursuant to Section 81 of R.A. No. 10951, any person found guilty of theft under Article 309 of the RPC, as amended, shall be punished by *arresto mayor* to its full extent, if the value of the thing stolen is over ₱500.00 but does not exceed ₱5,000.00. (*Id.*)

APPEALS

Appeal in criminal cases — In criminal cases, an appeal throws the entire case wide open for review and the reviewing tribunal can correct errors, though unassigned in the appealed judgment, or even reverse the trial court's decision based on grounds other than those that the parties raised as errors; the appeal confers the appellate court full jurisdiction over the case and renders such court competent to examine records, revise the judgment appealed from, increase the penalty, and cite the proper provision of the penal law. (Plan, Jr., @ "Jun", *et al. vs.* People, G.R. No. 247589, Aug. 24, 2020) p. 453

Appeal in rape cases — In this jurisdiction, the Court is guided by the well-established principles laid down in the disposition and review of rape cases, to wit: (1) the prosecution has to show the guilt of the accused by proof beyond reasonable doubt or that degree of proof that, to an unprejudiced mind, produces conviction; (2) the

evidence for the prosecution must stand or fall on its own merits and cannot draw strength from the weakness of the evidence of the defense; (3) unless there are special reasons, the findings of trial courts, especially regarding the credibility of witnesses, are entitled to great respect and will not be disturbed on appeal; (4) an accusation for rape can be made with facility; it is difficult to prove but more difficult for the person accused, though innocent, to disprove; and (5) in view of the intrinsic nature of the crime of rape where only two persons are usually involved, the testimony of the complainant must be scrutinized with extreme caution. (People *vs.* XXX, G.R. No. 239906, Aug. 26, 2020) p. 736

Factual findings of the Court of Tax Appeals — It has been the long-standing policy and practice of the Court to respect the conclusions of quasi-judicial agencies such as the CTA, a highly specialized body specifically created for the purpose of reviewing tax cases; in the absence of any clear and convincing proof that the findings of the CTA are not supported by substantial evidence or that there is a showing that it committed a gross error or abuse, the Court must presume that the CTA rendered a decision which is valid in every respect. (Commissioner of Internal Revenue *vs.* T Shuttle Services, Inc., G.R. No. 240729, Aug. 24, 2020) p. 409

— "It is doctrinal that the Court will not lightly set aside the conclusions reached by the CTA which, by the very nature of its functions, has accordingly developed an exclusive expertise on the resolution unless there has been an abuse or improvident exercise of authority." (*Id.*)

— The Court recognizes that the CTA's findings can only be disturbed on appeal if they are not supported by substantial evidence, or there is a showing of gross error or abuse on the part of the tax court. (*Id.*)

Factual findings of the trial courts — Factual findings of the trial court will not be disturbed on appeal unless the court has overlooked or ignored some fact or circumstance

of sufficient weight or significance, which, if considered, would alter the result of the case. (Esguerra, substituted by her Heirs *vs.* Spouses Ignacio, *et al*., G.R. No. 216597, Aug. 26, 2020) p. 655

— It should be noted that the trial court was in the best position to assess and determine the credibility of the witnesses presented by both parties; since there is no indication that the said court overlooked, misunderstood, or misapplied the surrounding facts and circumstances of the case, the Court finds no reason to deviate from its factual findings. (Plan, Jr., @ "Jun", *et al. vs.* People, G.R. No. 247589, Aug. 24, 2020) p. 453

— When affirmed by the CA, are generally binding on this Court; subject to recognized exceptions, it is not the function of the Court to review, analyze and weigh all over again evidence already considered in the proceedings below. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al. vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) p. pp. 207-208

Petition for review on certiorari to the Supreme Court under Rule 45 — A petition under Rule 45 of the Rules of Court should raise only questions of law which must be distinctly set forth; a question is one of law when the appellate court can determine the issue raised without reviewing or evaluating the evidence; otherwise, it is a question of fact. (Commissioner of Internal Revenue *vs.* T Shuttle Services, Inc., G.R. No. 240729, Aug. 24, 2020) p. 409

— At the outset, it bears stressing that a review of appeals filed before this Court is "not a matter of right, but of sound judicial discretion." (*Id.*)

— It is long-settled that questions of fact have no place in petitions for review on *certiorari* under Rule 45 of the Rules of Court. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

— The general rule in a petition for review on *certiorari* under Rule 45 of the Rules of Court is that only questions of law shall be raised; in *Republic v. Heirs of Santiago*, the Court enumerated that one of the exceptions to the general rule is when the CA's findings are contrary to those of the trial court. (Bayview Management Consultants, Inc., *et al. vs.* Pre, G.R. No. 220170, Aug. 19, 2020) p. 176

ATTORNEYS

Disbarment — The penalty of disbarment should be imposed with great caution for clear cases of misconduct that seriously affects the standing and character of an officer of the court. (Ignacio *vs.* Atty. Ignacio, A.C. No. 9426 [CBD Case No. 13-3819], Aug. 25, 2020) p. 493

Gross immorality — A lawyer's culpability for gross immorality is not dependent on whether the other party knowingly engaged in an immoral relationship with him. (Ignacio *vs.* Atty. Ignacio, A.C. No. 9426 [CBD Case No. 13-3819], Aug. 25, 2020) p. 493

— Canon 1, Rule 1.01 and Canon 7, Rule 7.03 of the Code of Professional Responsibility mandate all lawyers to possess good moral character at the time of their application for admission to the Bar and require them to maintain such character until their retirement from the practice of law; a lawyer may be removed or suspended from the practice of law for grossly immoral conduct. (*Id.*)

BAIL

Grant of — Applying to petitioner's bail application the foregoing law of the case as defined in *Napoles v. Sandiganbayan* is quite different from denying petitioner's bail application because, as held in *Napoles v. Sandiganbayan*, the prosecution had presented strong evidence against Napoles and, by extension, her co-conspirators. (Reyes *vs*. The Honorable Sandiganbayan Third Division, *et al*., G.R. No. 243411, Aug. 19, 2020) p. 227

— As bail applications pertain to a collateral issue, and the proceedings thereon are summary in nature and "avoid unnecessary thoroughness," the resolution denying or granting bail need not be detailed or exhaustive. (*Id.*)

— The resolution denying or granting bail need not be detailed or exhaustive, as the same is considered sufficient if it informs the applicant and oppositor of the facts and the law that form the basis of the denial or grant of bail; resolution of the Sandiganbayan on petitioner's bail applications, found sufficient. (*Id.*)

CERTIORARI

Petition for — In *Madrigal Transport, Inc. v. Lapanday Holdings Corporation,* we had the occasion to state that a petition for *certiorari,* not being a substitute for a lost appeal, cannot prosper if an appeal is available even when the ground is grave abuse of discretion. (Ramos, *et al. vs.* National Commission on Indigenous Peoples (NCIP), *et al.*, G.R. No. 192112, Aug. 19, 2020) p. 132

— The Court will not review any errors allegedly committed by the COA in its decisions, unless tainted with grave abuse of discretion; the Constitution itself, as well as the Rules of Court, provide the remedy of a petition for *certiorari* under Rule 64 in relation to Rule 65 in order to restrict the scope of inquiry to errors of jurisdiction or to grave abuse of discretion amounting to lack or excess of jurisdiction committed by the COA. (Ablong, *et al. vs.* Commission on Audit, G.R. No. 233308, Aug. 18, 2020) pp. 121-122

— The issue of whether grave abuse of discretion is committed or not is a question of law which the Supreme Court may properly resolve in a petition therefor. (Ramos, *et al. vs.* National Commission on Indigenous Peoples (NCIP), *et al.*, G.R. No. 192112, Aug. 19, 2020) p. 132

— The proper procedure to assail the Ombudsman's dismissal of an administrative case or the administrative aspect of its decision, is *via* a petition for *certiorari* under Rule 65 of the Rules of Court, ascribing grave abuse of discretion,

to be filed with the CA. (Eleazar, *et al. vs.* Office of the Ombudsman, *et al.*, G.R. No. 224399, Aug. 24, 2020) p. 360

***CERTIORARI* AND PROHIBITION**

Writ of — In *Araullo* v. *Aquino III,* it was held that petitions for *certiorari* and prohibition filed before the Court "are the remedies by which the grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government may be determined under the Constitution." (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

— It is also settled that petitions for *certiorari* and prohibition are proper remedies to correct acts tainted with grave abuse of discretion. (*Id.*)

— It was explained that "with respect to the Court, the remedies of *certiorari* and prohibition are necessarily broader in scope and reach, and the writ of *certiorari* or prohibition may be issued to correct errors of jurisdiction committed not only by a tribunal, corporation, board or officer exercising judicial, quasi-judicial or ministerial functions, but also to set right, undo, and restrain any act of grave abuse of discretion amounting to lack or excess of jurisdiction by any branch or instrumentality of the Government, even if the latter does not exercise judicial, quasi-judicial or ministerial functions. (*Id.*)

COMMISSION ON AUDIT (COA)

COA Circular No. 2009-006 — Section 10.2 of COA Circular No. 2009-006 which categorically requires service of the ND to all the persons liable, *viz.*: 10.2 The ND shall be addressed to the agency head and the accountant; served on the persons liable; and shall indicate the transactions and amount disallowed, reasons for the disallowance, the laws/rules/regulations violated, and

persons liable; it shall be signed by both the Audit Team Leader and the Supervising Auditor. (Ablong, *et al. vs.* Commission on Audit, G.R. No. 233308, Aug. 18, 2020) pp. 121-122

COMMUNITY SERVICE ACT (R.A. NO. 11362)

Application of — Under R.A. No. 11362, also known as the Community Service Act, the Court may, in its discretion, and lieu of service in jail, require that the penalties of *arresto menor* and *arresto mayor* be served by the defendant by rendering community service in the place where the crime was committed, and under such terms as the court shall determine, taking into consideration the gravity of the offense and the circumstances of the case. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002 (R.A. NO. 9165)

Chain of custody — As may be gleaned from the explicit wording of [Section 13, Article II, R.A. No. 9165], nowhere does the law qualify that the above-stated instances must have been intended for the purpose of using illegal drugs; in fact, under Section 13, Article II of the Implementing Rules and Regulations (IRR) of RA 9165, the phrase "company of at least two (2) persons" was defined to "mean the accused or suspect plus at least two (2) others, who may or may not be in possession of any dangerous drug"; this means that the only qualification for the provision to trigger is that the accused or suspect possessed illegal drugs in the proximate company of such persons who may or may not be in possession of any dangerous drugs. (Plan, Jr., @ "Jun", *et al. vs.* People, G.R. No. 247589, Aug. 24, 2020) p. 453

— As part of the chain of custody procedure, the apprehending team is mandated, immediately after seizure and confiscation, to conduct a physical inventory and to photograph the seized items in the presence of the accused or the person from whom the items were seized, or his

representative or counsel, as well as certain required witnesses, namely: (a) if *prior* to the amendment of R.A. No. 9165 by R.A. No. 10640, a representative from the media *AND* the Department of Justice (DOJ), *AND* any elected public official; or (*b*) if after the amendment of R.A. No. 9165 by R.A. No. 10640, an elected public official *AND* a representative of the National Prosecution Service *OR* the media. (*Id.*)

— The Court has held that the presence of the required number of witnesses at the time of the apprehension and inventory, is mandatory, and that their presence serves an essential purpose. (People *vs.* Arellaga, G.R. No. 231796, Aug. 24, 2020) p. 396

— To establish the identity of the dangerous drug with moral certainty, the prosecution must be able to account for each link of the chain of custody from the moment the drugs are seized up to their presentation in court as evidence of the crime. (Plan, Jr., @ "Jun", *et al. vs.* People, G.R. No. 247589, Aug. 24, 2020) p. 453

Illegal possession of dangerous drugs — In cases for illegal possession of dangerous drugs under R.A. No. 9165, it is essential that the identity of the dangerous drug be established with moral certainty, considering that the dangerous drug itself forms an integral part of the *corpus delicti* of the crime; failing to prove the integrity of the *corpus delicti* renders the evidence for the State insufficient to prove the guilt of the accused beyond reasonable doubt which therefore warrants an acquittal. (Plan, Jr., @ "Jun", *et al. vs.* People, G.R. No. 247589, Aug. 24, 2020) p. 453

— To convict an accused for illegal possession of dangerous drugs, the prosecution must establish the necessary elements thereof, to wit: (*a*) the accused was in possession of an item or object identified as a prohibited drug; (*b*) such possession was not authorized by law; and (*c*) the accused freely and consciously possessed the said drug. (*Id.*)

— To qualify possession of illegal drugs as warranting the imposition of stiffer penalties pursuant to Section 13, Article II of R.A. No. 9165, with which petitioners were charged, such possession must have occurred: (*a*) during a party; *or* (*b*) at a social gathering or meeting; *or* (c) in the proximate company of at least two (2) persons. (*Id.*)

Illegal sale and illegal possession of dangerous drugs — To secure a conviction for illegal sale of dangerous drugs under Section 5, Article II of R.A. No. 9165, the prosecution must establish the following elements: (1) the identity of the buyer and the seller, the object of the sale and its consideration; and (2) the delivery of the thing sold and the payment therefor. (People *vs.* Arellaga, G.R. No. 231796, Aug. 24, 2020) p. 396

CONSPIRACY

Existence of — Conspiracy is present when there is unity in purpose and intention in the commission of a crime; it does not require a previous plan or agreement to commit assault as it is sufficient that at the time of such aggression, all the accused manifested by their acts a common intent or desire to attack. (PO1 Delos Santos *vs.* People, *et al*., G.R. No. 231765, Aug. 24, 2020) p. 385

— It does not need to be proven by direct evidence and may be inferred from the conduct before, during, and after the commission of the crime indicative of a joint purpose, concerted action, and concurrence of sentiments as in conspiracy. (*Id.*)

— Mere presence at the scene of the crime at the time of its commission is not, by itself, sufficient to establish conspiracy in the absence of evidence of actual cooperation rather than mere cognizance or approval of an illegal act is required; although direct proof is not essential to establish conspiracy, there must be positive and conclusive evidence which must satisfy the same degree of proof necessary to establish the crime to support a finding of the presence of a criminal conspiracy. (*Id.*)

CONTRACTS

Acceleration clause — Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately; this right to choose is meaningless if the obligation is made demandable only when the term expires. (Gotesco Properties, Inc. *vs.* International Exchange Bank (Now Union Bank of the Philippines), G.R. No. 212262, Aug. 26, 2020) p. 636

— An acceleration clause is a provision in a contract wherein, should the debtor default, the entire obligation shall become due and demandable; this Court has held that acceleration clauses are valid and produce legal effect. (*Id.*)

Compromise agreement — As provided by the law on contracts, a valid compromise must have the following elements: (1) the consent of the parties to the compromise, (2) an object certain that is the subject matter of the compromise, and (3) the cause of the obligation that is established. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

— In *Magbanua v. Uy*, the Court explained thus: The issue involving the validity of a compromise agreement notwithstanding a final judgment is not novel; *Jesalva v. Bautista* upheld a compromise agreement that covered cases pending trial, on appeal, and with final judgment; the Court noted that Article 2040 (of the Civil Code) impliedly allowed such agreements; there was no limitation as to when these should be entered into. (*Id.*)

— The rule of long standing is that rights may be waived or modified through a compromise agreement even after a final judgment has already settled the rights of the contracting parties; the compromise, to be binding, must be shown to have been voluntarily, freely and intelligently executed by the parties, who had full knowledge of the judgment. (*Id.*)

Rescission of — Rescission unmakes a contract; the rights and obligations emanating from a rescinded contract are extinguished; being a mode of nullifying contracts and their correlative rights and obligations, rescission thus must be conveyed in an unequivocal manner and couched in unmistakable terms. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

COURT PERSONNEL

Dishonesty — Dishonesty means "a disposition to lie, cheat, deceive or defraud; untrustworthiness; lack of integrity, lack of honesty, probity or integrity in principle; lack of fairness and straightforwardness; disposition to defraud, deceive or betray." (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

Dishonesty, falsification of public documents, and misconduct — Making handwritten entries on the DTR of another who consented to it amounts to serious dishonesty, falsification of public documents, and misconduct. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

Duties — In *Arabani, Jr. v. Arabani*, the Court held that office hours should be devoted to the performance of official functions; Section 1, Canon IV of the CCCP provides that court personnel shall at all times perform official duties properly and with diligence; they shall commit themselves exclusively to the business and responsibilities of their office during working hours. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

— In *Samonte v. Roden*, the Court held that court employees must reflect their true arrival and departure times in the DTR, and must do so personally. (*Id.*)

Incompetence — A stenographer who already forgot stenography without doing anything to regain her skill is guilty of incompetence. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

Liability of — Violation of Section 3, Canon IV of the CCCP, which states that court personnel shall not alter, falsify, destroy or mutilate any record within their control; this includes the DTR. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

Misconduct — Misconduct is a transgression of some established and definite rule of action, more particularly, unlawful behavior or gross negligence by the public officer; it is intentional wrongdoing or deliberate violation of a rule of law or standard of behavior and to constitute an administrative offense, the misconduct should relate to or be connected with the performance of the official functions and duties of a public officer. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

Primary employment — Section 5, Canon III of the Code of Conduct for Court Personnel (CCCP) which provides: SEC. 5. The full-time position in the Judiciary of every court personnel shall be the personnel's primary employment; for purposes of this Code, 'primary employment' means the position that consumes the entire normal working hours of the court personnel and requires the personnel's exclusive attention in performing official duties. (Anonymous Complaint Against Clerk of Court V Atty. Zenalfie M. Cuenco, *et al*., A.M. No. P-10-2812 [formerly OCA IPI No. 10-420-P], Aug. 18, 2020) p. 73

COURTS

Hierarchy of courts — Direct resort to the Court in violation of the doctrine of hierarchy of courts is a sufficient cause for dismissal of the complaint; while it is true that in *The Diocese of Bacolod v. Commission on Elections* we have recognized exceptions to this doctrine, we have clarified in *Gios Samar, Inc. v. Department of Transportation and Communications* that it is not the presence of one or more of the so-called "special and important reasons," but the nature of the question raised by the parties in those "exceptions," which is "the decisive factor considered by the Court in deciding whether to permit the invocation, at the first instance, of its original jurisdiction over the issuance of extraordinary writs." (Ramos, *et al. vs.* National Commission on Indigenous Peoples (NCIP), *et al.*, G.R. No. 192112, Aug. 19, 2020) p. 132

— Hierarchy is determinative of the venue of appeals, and should also serve as a general determinant of the appropriate forum for petitions for the extraordinary writs; a becoming regard for that judicial hierarchy most certainly indicates that petitions for the issuance of extraordinary writs against first level ("inferior") courts should be filed with the Regional Trial Court, and those against the latter, with the Court of Appeals; a direct invocation of the Supreme Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition. (*Id.*)

CRIMINAL PROCEDURE

Information — Qualifying circumstances must be properly pleaded in the indictment; if the same are not pleaded but proved, they shall be considered only as aggravating circumstances since the latter admit of proof even if not pleaded; it would be a denial of the right of the accused to be informed of the charges against him and consequently, a denial of due process, if he is charged with simple rape and convicted of its qualified form,

although the attendant circumstance qualifying the offense and resulting in the capital punishment was not alleged in the indictment on which he was arraigned. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— The rules require the qualifying circumstances to be specifically alleged in the Information in order to comply with the constitutional right of the accused to be properly informed of the nature and cause of the accusation against him; the purpose is to allow the accused to prepare fully for his defense to prevent surprises during the trial. (*Id.*)

Prosecution of offenses — Date of commission of the offense; not essential to be alleged in the information with ultimate precision; convicting an accused of an offense committed outside the period alleged in the information is a violation of the accused's constitutional right to be informed of the nature and cause of accusation against him. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

— Section 8, Rule 110 of the Rules expressly require that: Section 8. *Designation of the offense.* - The complaint or information shall state the designation of the offense given by the statute, aver the acts or omissions constituting the offense, and specify its qualifying and aggravating circumstances; if there is no designation of the offense, reference shall be made to the section or subsection of the statute punishing it. (*Id.*)

DAMAGES

Attorney's fees — Attorney's fees awarded because exemplary damages were awarded and due to the length of the proceedings. (Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), *et al. vs.* ATR Professional life Assurance Corporation (now Asian Life and General Assurance Corporation), G.R. No. 228402, Aug. 26, 2020) pp. 695-696

Exemplary Damages — Article 2232 of the Civil Code provides that in a contractual or quasi-contractual relationship, exemplary damages may be awarded only if the defendant

had acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner; Article 2234 of the Civil Code further requires that, to be entitled to exemplary damages, the claimant must show that he is entitled to moral, temperate, or compensatory damages. (Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), *et al*. *vs.* ATR Professional life Assurance Corporation (now Asian Life and General Assurance Corporation), G.R. No. 228402, Aug. 26, 2020) pp. 695-696

DENIAL AND ALIBI

Defenses of — Denial is inherently a weak defense which cannot outweigh positive testimony; a categorical statement that has the earmarks of truth prevails over a bare denial which can easily be fabricated and is inherently unreliable; for the defense of alibi to prosper, the accused must prove that he was at some other place at the time of the commission of the crime and it was physically impossible for him to be at the *locus delicti* or within its immediate vicinity. (People *vs.* Manlolo, G.R. No. 227841, Aug. 19, 2020) p. 190

— Disinterested witnesses must corroborate the defense of alibi, otherwise, it is fatal to the accused; relatives can hardly be categorized as disinterested witnesses; the defense of alibi may not prosper if it is established mainly by the appellant himself and his relatives, and not by credible persons. (*Id.*)

— Petitioner's defense of denial cannot be given more weight over the positive identification of eyewitnesses; for the defense of alibi to prosper, the appellant (petitioner) must prove that he was somewhere else when the offense was committed and that he was so far away that it was not possible for him to have been physically present at the place of the crime or at its immediate vicinity at the time of its commission. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

— Since the prosecution was able to prove beyond reasonable doubt that accused-appellant committed the crime, the

latter's denial and alibi cannot be considered by this Court, especially in light of the positive identification of AAA; denial and alibi are inherently weak defenses which can easily be concocted and fabricated. (People *vs.* Evardone, G.R. No. 248204, Aug. 24, 2020) p. 467

DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT ACT OF 1990 (R.A. NO. 6975)

Application of — According to the Philippine National Police, reasonableness of the force employed depends on the following criteria: the reasonableness of the force employed will depend upon the number of aggressors, nature and characteristic of the weapon used, physical condition, size and other circumstances to include the place and occasion of the assault; the police officer is given the sound discretion to consider these factors in employing reasonable force; the use of firearms by police is more strictly regulated; the danger of death or injury to the police officer or other persons must be imminent to justify resort to firearms. (People *vs.* Daguman, *alias* "Mark," G.R. No. 219116, Aug. 26, 2020) p. 670

— Armed by the government and given the authority to use firearms, police officers are taught "schemes, strategies and plans on how to approach danger"; depending on the situation, police officers may be authorized to use force to enforce laws, as long as the force used is necessary and not excessive; when there is a confrontation between law enforcement and a suspect, the police's use of force should be reasonable and proportionate to the threat as perceived by the officers at that time. (*Id.*)

DUE PROCESS

Violation of — Considering the non-observance of petitioners' right to due process, the same should be set aside; it is settled that "violation of due process rights is a jurisdictional defect" and that "a decision or judgment is fatally defective if rendered in violation of a party-litigant's right to due process." (Ablong, *et al. vs.* Commission on Audit, G.R. No. 233308, Aug. 18, 2020) pp. 121-122

EMPLOYMENT, TERMINATION OF

Illegal dismissal — Law and jurisprudence laid down the monetary awards that an illegally dismissed employee is entitled to: first, the renumbered Article 294 of the Labor Code, formerly Article 279, states that an illegally dismissed employee is entitled to backwages; second, separation pay is warranted when the cause for termination is not attributable to the employee's fault, such as those provided in Articles 298 to 299 of the Labor Code, as well as in cases of illegal dismissal where reinstatement is no longer feasible. (Bayview Management Consultants, Inc., *et al. vs.* Pre, G.R. No. 220170, Aug. 19, 2020) p. 176

Loss of trust and confidence — In *Cadavas v. Court of Appeals*, We have emphasized that "loss of trust and confidence to be a valid cause for dismissal must be based on a willful breach of trust and founded on clearly established facts; such breach is willful if it is done intentionally, knowingly, and purposely, without justifiable excuse as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently." (San Miguel Corporation *vs.* Gomez, G.R. No. 200815, Aug. 24, 2020) p. 264

— In *Matis v. Manila Electric Co.,* We have pointed out that "loss of confidence as a ground for dismissal has never been intended to afford an occasion for abuse by the employer of its prerogative, as it can easily be subject to abuse because of its subjective nature." (*Id.*)

— The loss of confidence must be genuine and cannot be used as a "subterfuge for causes which are improper, illegal or unjustified." (*Id.*)

— The requisites for dismissal on the ground of loss of trust and confidence are: "1) the employee concerned must be holding a position of trust and confidence; (2) there must be an act that would justify the loss of trust and confidence; and (3) such loss of trust relates to the employee's performance of duties." (*Id.*)

— What constitutes a "position of trust and confidence": loss of confidence should ideally apply only to cases

involving employees occupying positions of trust and confidence or to those situations where the employee is routinely charged with the care and custody of the employer's money or property; to the first class belong managerial employees, *i.e.*, those vested with the powers or prerogatives to lay down management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or effectively recommend such managerial actions; and to the second class belong cashiers, auditors, property custodians, *etc.*, or those who, in the normal and routine exercise of their functions, regularly handle significant amounts of money or property. (*Id.*)

EQUITY

Principle of — We have often ruled, equity, which has been aptly described as "justice outside legality," is only applied in the absence of, and never against statutory law or judicial rules of procedure. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

EVIDENCE

Admission of — The entry in the birth certificate that accused-appellant was the father of private complainant is not conclusive and evidence may be presented to disprove the same; the evidence here came in the form of a judicial admission which conclusively binds the party making it; he cannot thereafter take a position contradictory to, or inconsistent with his pleadings; acts or facts admitted do not require proof and cannot be contradicted unless it is shown that the admission was made through palpable mistake or that no such admission was made. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

Affidavits of desistance — It is well-settled that the Court frowns upon affidavits of desistance or recantation made after conviction of the accused; these affidavits deserve scant consideration. (People *vs.* XXX, G.R. No. 239906, Aug. 26, 2020) p. 736

Allegations of forgery — It is well-settled that allegations of forgery, like all other allegations, must be proved by clear, positive, and convincing evidence by the party alleging it; it should not be presumed but must be established by comparing the alleged forged signature with the genuine signatures. (Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), *et al*. *vs.* ATR Professional life Assurance Corporation (now Asian Life and General Assurance Corporation), G.R. No. 228402, Aug. 26, 2020) pp. 695-696

Burden of proof — By strong evidence of guilt, the law contemplates more than evidence that engenders a belief that a crime has probably been committed and that it has been committed by the accused; however, it is less than evidence beyond reasonable doubt, but rather evident guilt or a great presumption of guilt such as would lead a dispassionate judge to conclude that the offense has been committed as charged, that accused is the guilty agent, and that accused will probably be meted the capital punishment. (Reyes *vs*. The Honorable Sandiganbayan Third Division, *et al*., G.R. No. 243411, Aug. 19, 2020) p. 227

— In all civil litigations, the burden of proof lies in the party who asserts, not in the party who denies because the latter, by the nature of things, cannot produce any proof of the assertion denied; party making an allegation has the burden of proving the allegation by preponderance of evidence. (Esguerra, substituted by her Heirs *vs.* Spouses Ignacio, *et al*., G.R. No. 216597, Aug. 26, 2020) p. 655

Preponderance of — Basic is the evidentiary rule that he who alleges a fact bears the burden of proof; in civil cases, it is the plaintiff who has the burden of proof and who is required to establish his case by preponderance of evidence; that the pieces of evidence must be credible, admissible, and sufficient to meet the quantum of evidence required in proving his claims as the extent of the relief to be granted can only be as much as has been alleged and proved during trial while satisfying the quantum of

evidence required in a case. (Palafox, represented by his attorney-in-fact, Efraim B. Orodio *vs*. Wangdali, *et al*., G.R. No. 235914, July 29, 2020) p. 19

— Preponderance of evidence is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term "greater weight of evidence" or "greater weight of credible evidence." (Esguerra, substituted by her Heirs *vs.* Spouses Ignacio, *et al*., G.R. No. 216597, Aug. 26, 2020) p. 655

EXPEDITIOUS IMPLEMENTATION AND COMPLETION OF GOVERNMENT INFRASTRUCTURE PROJECTS (R.A. NO. 8975)

Application of — R.A. No. 8975 prohibits the issuance by all courts, other than the Supreme Court, of any temporary restraining orders, preliminary injunctions, or preliminary mandatory injunctions against national government projects; the NCCA is not a court as contemplated by R.A. No. 8975; NCCA's authority to issue a CDO is by virtue of R.A. No. 10066. (Bernal, in his capacity as the Authorized Managing Officer of Ciara Construction/ Berson Construction & Trading (a Joint Venture) *vs.* De Leon, Jr., in his capacity as Chairman of the National Commission for Culture and the Arts (NCCA), *et al.,* G.R. No. 219792, July 29, 2020) p. 10

FORUM SHOPPING

Existence of — It exists when, as a result of an adverse opinion in one forum, a party seeks a favorable opinion in another, or when he institutes two or more actions or proceedings grounded on the same cause, on the gamble that one or the other court would make a favorable disposition. (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

— The act of deliberate and willful forum shopping warrants the summary dismissal with prejudice of the instant

Petition and all other cases pending in the lower courts, if any; by abusing court processes, forum shopping constitutes direct contempt of this Court. (*Id.*)

INDIGENOUS PEOPLE'S RIGHTS ACT OF 1997 (R.A. NO. 8371)

National Commission on Indigenous People (NCIP) — A careful review of Section 66 shows that the NCIP shall have jurisdiction over claims and disputes involving rights of ICCs/IPs only when they arise between or among parties belonging to the same ICC/IP. (Ramos, *et al. vs.* National Commission on Indigenous Peoples (NCIP), *et al.*, G.R. No. 192112, Aug. 19, 2020) p. 132

— Certification shall be issued by the Council of Elders/ Leaders who participated in the attempt to settle the dispute that the same has not been resolved, which certification shall be a condition precedent to the filing of a petition with the NCIP; the qualifying provision requires two conditions before such disputes may be brought before the NCIP, namely: (1) exhaustion of remedies under customary laws of the parties, and (2) compliance with condition precedent through the said certification by the Council of Elders/Leaders. (*Id.*)

— In *Unduran v. Aberasturi,* it was held that the jurisdiction of the NCIP under Section 66 of the IPRA over claims and disputes involving rights of indigenous cultural communities (ICCs) and indigenous peoples (IPs) arises only when such claims or disputes are between or among parties who belong to the same ICC/IP. (*Id.*)

— The NCIP has primary jurisdiction over cases where one of the parties is not a ICC/IPs or the parties are from different ICCs/IP under the following provisions of the IPRA: (1) Section 52(h) of the IPRA anent the power of the NCIP Ancestral Domain Office (ADO) to deny application for Certificate of Ancestral Domain Titles (CADTs), in relation to Section 62, regarding the power of the NCIP to hear and decide unresolved adverse claims; (2) Section 53 on the NCIP-ADO's power to deny applications for Certificate CALTs and on the NCIP's

power to grant meritorious claims and resolve conflicting claims; and (3) Section 54 as to the power of the NCIP to resolve fraudulent claims over ancestral domains and lands. (*Id.*)

INSURANCE

Contract of — A contract of insurance is defined as an agreement whereby one undertakes for a consideration to indemnify another against loss, damage, or liability arising from an unknown or contingent event. (Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), *et al*. *vs.* ATR Professional life Assurance Corporation (now Asian Life and General Assurance Corporation), G.R. No. 228402, Aug. 26, 2020) pp. 695-696

— An insurance contract exists where the following elements concur: (1) the insured has an insurable interest; (2) the insured is subject to a risk of loss by the happening of the designated peril; (3) the insurer assumes the risk; (4) such assumption of risk is part of a general scheme to distribute actual losses among a large group of persons bearing a similar risk; and (5) in consideration of the insurer's promise, the insured pays a premium. (*Id.*)

— In the case of *Perez v. Court of Appeals,* the Court held that assent is given when the insurer issues a corresponding policy to the applicant; the Court declared that "it is only when the applicant pays the premium and receives and accepts the policy while he is in good health that the contract of insurance is deemed to have been perfected." (*Id.*)

Mortgage redemption insurance — Upon issuance of a notice of approval/letter of guaranty the loan and mortgage agreement between the parties takes effect including its provisions on MRI coverage. (Home Development Mutual Fund (HDMF) *vs.* Sps. Cataquiz, G.R. No. 210582, July 29, 2020) p. 1

INTEREST

Award of — Applying the guidelines in *Nacar* to the present case, 12% interest rate *per annum* shall be imposed on the principal amount due from the time of judicial demand, *i.e.,* from the time of the filing of the complaint, until June 30, 2013; from July 1, 2013, until full satisfaction of the monetary award, the interest rate shall be 6% *per annum.* (Loyola Life Plans Incorporated (now Loyola Plans Consolidated Inc.), *et al. vs.* ATR Professional life Assurance Corporation (now Asian Life and General Assurance Corporation), G.R. No. 228402, Aug. 26, 2020) pp. 695-696

JUDGMENTS

Compromise judgments — A compromise judgment is a decision rendered by a court sanctioning the agreement between the parties concerning the determination of the controversy at hand; it is a contract, stamped with judicial imprimatur, between two or more persons, who, for preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which each of them prefers in the hope of gaining, balanced by the danger of losing. (Unirock Corporation, as represented by Edison U. Ojerio *vs.* Carpio, *et al.*, G.R. No. 213421, Aug. 24, 2020) p. 326

— A final judgment based on compromise agreement has the same force and effect of a final judgment on the merits by a court of competent jurisdiction, and is, thus, subject to the same prevailing principles on compromise agreements after final judgment. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

— A judgment based on compromise is not appealable; it should not be disturbed except upon a showing of vitiated consent or forgery; the reason for the rule is that when both parties enter into an agreement to end a pending litigation and request that a decision be rendered approving said agreement, it is only natural to presume that such action constitutes an implicit, as undeniable as an express,

waiver of the right to appeal against said decision. (Unirock Corporation, as represented by Edison U. Ojerio *vs.* Carpio, *et al.*, G.R. No. 213421, Aug. 24, 2020) p. 326

— Decision on a compromise agreement is final and executory, and is conclusive between the parties; upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court; it should not be disturbed except upon a showing of vitiated consent or forgery. (*Id.*)

— The inability of petitioner to enforce its ownership rights as against the respondent, which had unduly exploited petitioner's properties, but failed to pay the corresponding royalties as agreed upon, would result in unjustness and inequity. (*Id.*)

— Upon court approval of a compromise agreement, it transcends its identity as a mere contract binding only upon the parties thereto, as it becomes a judgment that is subject to execution in accordance with Rule 39 of the Rules of Court. (*Id.*)

Execution of — A writ of execution may be stayed or quashed when "facts and circumstances transpire" after judgment has been rendered that would make "execution impossible or unjust"; another exception is when the writ of execution alters or varies the judgment; a writ of execution derives its validity from the judgment it seeks to enforce. (Gotesco Properties, Inc. *vs.* International Exchange Bank (Now Union Bank of the Philippines), G.R. No. 212262, Aug. 26, 2020) p. 636

— In *Chiquita Brands, Inc. v. Omelio,* the execution of a final judgment may be stayed or set aside in certain cases; "courts have jurisdiction to entertain motions to quash previously issued writs of execution"; they "have the inherent power, for the advancement of justice, to correct the errors of their ministerial officers and to control their own processes." (*Id.*)

Judgments of lower courts — Decisions of lower courts or other divisions of the same court are not binding on others; no grave abuse of discretion is committed when a judge sets aside an earlier ruling rendered by the previous judge in the same trial court branch for the same case, especially when, as in this case, a reversible error had been committed. (Gotesco Properties, Inc. *vs.* International Exchange Bank (Now Union Bank of the Philippines), G.R. No. 212262, Aug. 26, 2020) p. 636

JUDICIAL DEPARTMENT

Judicial review — An actual case or controversy is "one which involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution"; a case is justiciable if the issues presented are "definite and concrete, touching on the legal relations of parties having adverse legal interests"; the conflict must be ripe for judicial determination, not conjectural or anticipatory; otherwise, this Court's decision will amount to an advisory opinion concerning legislative or executive action. (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

— Determining whether the act under review is quasi-legislative or quasi-judicial is necessary in determining when judicial remedies may properly be availed of; rules issued in the exercise of an administrative agency's quasi-legislative power may be taken cognizance of by courts on the first instance as part of their judicial power. (*Id.*)

— In *David v. Arroyo*, this Court summarized the requirements where taxpayers and concerned citizens have the legal standing to sue: (1) the cases involve constitutional issues; (2) for taxpayers, there must be a claim of illegal disbursement of public funds or that the tax measure is unconstitutional; (3) for voters, there

must be a showing of obvious interest in the validity of the election law in question; (4) for concerned citizens, there must be a showing that the issues raised are of transcendental importance which must be settled early; and (5) for legislators, there must be a claim that the social action complained of infringes upon their prerogatives as legislators. (*Id.*)

— In *Provincial Bus Operators Association of the Philippines v. DOLE*: As a rule, "the constitutionality of a statute will be passed on only if and to the extent that, it is directly and necessarily involved in a justiciable controversy and is essential to the protection of the rights of the parties concerned"; a controversy is said to be justiciable if: first, there is an actual case or controversy involving legal rights that are capable of judicial determination; second, the parties raising the issue must have standing or *locus standi* to raise the constitutional issue; third, the constitutionality must be raised at the earliest opportunity; and fourth, resolving the constitutionality must be essential to the disposition of the case. (*Id.*)

— In *Provincial Bus Operators Association of the Philippines (PBOAP) v. DOLE,* this Court laid out the distinction between quasi-judicial and quasi-legislative acts and the requirements of judicial review for each one: administrative actions reviewable by this Court, therefore, may either be quasi-legislative or quasi-judicial; quasi-legislative or rule-making power is the power of an administrative agency to make rules and regulations that have the force and effect of law so long as they are issued "within the confines of the granting statute"; quasi-judicial or administrative adjudicatory power is "the power to hear and determine questions of fact to which the legislative policy is to apply and to decide in accordance with the standards laid down by the law itself in enforcing and administering the same law"; the constitutional permissibility of the grant of quasi-judicial powers to

administrative agencies has been likewise recognized by this Court. (*Id.*)

— It is settled that courts have the jurisdiction to resolve actual cases or controversies involving administrative actions done in the exercise of their quasi-judicial and quasi-legislative functions. (*Id.*)

— This Court held that in order for an association to have legal standing, it must establish the identity of its members, and present proof of its authority to bring the suit for and on behalf of its members. (*Id.*)

JURISDICTION

Concurrent jurisdiction — Although the Supreme Court, the CA, and the RTCs have concurrent original jurisdiction over petitions for *certiorari*, prohibition, *mandamus*, *quo warranto*, and *habeas corpus*, parties are directed, as a rule, to file their petitions before the lower-ranked court. (Ramos, *et al*. *vs.* National Commission on Indigenous Peoples (NCIP), *et al*., G.R. No. 192112, Aug. 19, 2020) p. 132

Jurisdiction over the subject matter — The Court is guided by the following principle in determining the jurisdiction of the NCIP: jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action; the nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. (Ramos, *et al*. *vs.* National Commission on Indigenous Peoples (NCIP), *et al*., G.R. No. 192112, Aug. 19, 2020) p. 132

LABOR RELATIONS

Constructive dismissal — The standard for constructive dismissal is "whether a reasonable person in the

employee's position would have felt compelled to give up his employment under the circumstances"; the unreasonably harsh conditions that compel resignation on the part of an employee must be way beyond the occasional discomforts brought about by the misunderstandings between the employer and employee. (Bayview Management Consultants, Inc., *et al. vs.* Pre, G.R. No. 220170, Aug. 19, 2020) p. 176

— There is constructive dismissal when an employer's act of clear discrimination, insensibility or disdain becomes so unbearable on the part of the employee so as to foreclose any choice on his part except to resign from such employment. (*Id.*)

LACHES

Principle of — There is laches when a party was negligent or has failed to assert a right within a reasonable time, thus giving rise to the presumption that he or she has abandoned it; laches has set in when it is already inequitable or unfair to allow the party to assert the right. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al*. *vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

LAND REGISTRATION

Torrens title — It is basic that a certificate of title is merely an evidence of ownership, it cannot be used to protect a usurper from the true owner; nor can it be used as a shield for the commission of fraud, and its issuance in favor of a particular person does not foreclose the possibility that the real property may be owned by another person. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al*. *vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

— It is settled that a Torrens title cannot be altered, modified or cancelled except in a direct proceeding in accordance with law; a direct proceeding is an action specifically to annul or set aside such judgment or enjoin its enforcement. (*Id.*)

LEGISLATIVE DEPARTMENT

Delegation of legislative power — The enabling law must be complete, with sufficient standards to guide the administrative agency in exercising its rule-making power; as an exception to the rule on non-delegation of legislative power, administrative rules and regulations must be "germane to the objects and purposes of the law, and be not in contradiction to, but in conformity with, the standards prescribed by law." (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

Legislative franchise — At the onset, it is imperative to point out that based on our Constitution and laws, a legislative franchise is both a pre-requisite and a continuing requirement for broadcasting entities to broadcast their programs through television and radio stations in the country. (ABS-CBN Corporation *vs.* National Telecommunications Commission, G.R. No. 252119, Aug. 25, 2020) p. 507

— Broadly speaking, "a franchise is defined to be a special privilege to do certain things conferred by government on an individual or corporation, and which does not belong to citizens generally of common right." (*Id.*)

— Insofar as the great powers of government are concerned, "a franchise is basically a legislative grant of a special privilege to a person"; in *Associated Communications & Wireless Services v. NTC* (*Associated Communications*), the Court defined a "franchise as the privilege granted by the State through its legislative body subject to regulation by the State itself by virtue of its police power through its administrative agencies." (*Id.*)

— Section 11, Article XII of the 1987 Constitution further states that "for the operation of a public utility," no "such franchise or right shall be granted except under

the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires." (*Id.*)

LOCAL GOVERNMENT CODE OF 1991 (R.A. NO. 7160)

Barangay conciliation — Administrative Circular No. 14-93 enumerated the cases which are not covered by the mandatory barangay conciliation; subject to the said exemptions, a party's failure to comply with the requirement of prior barangay conciliation before filing a case in court would render his complaint dismissible on the ground of failure to comply with a condition precedent, pursuant to Section 1 (j), Rule 16 of the Rules of Court. (Ngo *vs.* Gabelo, *et al.,* G.R. No. 207707, Aug. 24, 2020) p. 313

— Republic Act No. 7160, or the Local Government Code of 1991, provides that barangay conciliation proceedings is a pre-condition to filing a complaint in court between persons actually residing in the same barangay to explore possible amicable settlement; the relevant provisions of R.A. No. 7160 in the conduct of barangay conciliation are provided under Article 409 on Venue and Article 412 on Conciliation. (*Id.*)

MARRIAGES

Psychological incapacity — Although not an absolute and indispensable requirement, expert findings on psychological incapacity deserve great weight especially when corroborated by other pieces of evidence. (Calma *vs.* Santos-Calma, G.R. No. 242070, Aug. 24, 2020) p. 427

— Consistent with how the totality of evidence should ultimately inform any determination of whether a marriage should be declared void pursuant to Article 36 of the Family Code, as well as with judicial wisdom expressed in contemporary jurisprudence that has more keenly and openly understood the myriad manifestations of psychological incapacity, this Court finds that petitioner successfully discharged his burden of demonstrating respondent's psychological incapacity. (*Id.*)

— Her lack of interest in social relationships though not as grave as the degree manifested in schizophrenia prevents her from developing strong attachments and from staying in relationships; her maladaptive behavioral patterns affect her impulse control and makes her susceptible to mood changes; this "invariably strains" her relationships and results in her lacking empathy and concern. (*Id.*)

— "Psychological incapacity" should refer to no less than a mental (not physical) incapacity that causes a party to be truly incognitive of the basic marital covenants that concomitantly must be assumed and discharged by the parties to the marriage which, as so expressed by Article 68 of the Family Code, include their mutual obligations to live together, observe love, respect and fidelity and render help and support. (*Id.*)

— The abandonment of one's family, extramarital affair, squandering of financial support, imploring for more money, indifference, and dejection are manifestations of a grave pyschological disorder and inability to fulfill essential marital obligations. (*Id.*)

— There is hardly any doubt that the intendment of the law has been to confine the meaning of ''psychological incapacity" to the most serious cases of personality disorders clearly demonstrative of an utter insensitivity or inability to give meaning and significance to the marriage. (*Id.*)

MOTIONS

Motion for reconsideration — A motion for reconsideration is among the remedies an aggrieved party may avail of against an adverse judgment or final order as provided for in Rule 37, Section 1 of the Rules of Court. (Gotesco Properties, Inc. *vs.* International Exchange Bank (Now Union Bank of the Philippines), G.R. No. 212262, Aug. 26, 2020) p. 636

— The purpose of a motion for reconsideration is for the moving party to point to purported errors in the assailed judgment or final order which that party views as

unsupported by law or evidence; it "grants an opportunity for the court to correct any actual or perceived error attributed to it by re-examination of the legal and factual circumstances of the case." (*Id.*)

Motion to quash — As the Court explained in *Limpin, Jr. v. Intermediate Appellate Court*, although, as a general rule, no appeal lies from an order denying a motion to quash a writ of execution, there are exceptions to this rule: 1) the writ of execution varies the judgment; 2) there has been a change in the situation of the parties making execution inequitable or unjust; 3) execution is sought to be enforced against property exempt from execution; 4) it appears that the controversy has never been submitted to the judgment of the court; 5) the terms of the judgment are not clear enough and there remains room for interpretation thereof; or, 6) it appears that the writ of execution has been improvidently issued, or that it is defective in substance, or is issued against the wrong party, or that the judgment debt has been paid or otherwise satisfied, or the writ was issued without authority. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

— From the denial of petitioners' first motion to quash, the proper remedy was not to file a second motion to quash, but to seek recourse to a higher court either by appeal (writ of error or *certiorari*) or by a special civil action of *certiorari*, prohibition, or *mandamus*, if warranted under exceptional circumstances established by jurisprudence and upon compliance with any prerequisite (e.g., filing of a motion for reconsideration) required by the Rules. (*Id.*)

Omnibus motion rule — The spirit or rationale of the Omnibus Motion Rule under Section 8, Rule 15 of the Revised Rules of Civil Procedure is to require the movant to raise all available grounds for relief in a single opportunity in order to avoid multiple and piece-meal objections. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

NATIONAL TELECOMMUNICATIONS COMMISSION (NTC)

Certificate of public convenience — In *Divinagracia v. Consolidated Broadcasting System, Inc. (Divinagracia),* citing *Associated Communications*, this Court ruled that the legislative franchise requirement under Act No. 3846, as amended, was not repealed by the additional requirement imposed in P.D. No. 576-A; they co-exist. (ABS-CBN Corporation *vs.* National Telecommunications Commission, G.R. No. 252119, Aug. 25, 2020) p. 507

— In *Divinagracia,* it was explained that: Broadcast and television stations are required to obtain a legislative franchise, a requirement imposed by the Radio Control Act and affirmed by our ruling in *Associated Broadcasting*; after securing their legislative franchises, stations are required to obtain CPCs from the NTC before they can operate their radio or television broadcasting systems. Such requirement while traceable also to the Radio Control Act, currently find its basis in E.O. No. 546, the law establishing the NTC. (*Id.*)

— It has also been clarified in *Associated Communications* that a congressional franchise is required to operate radio, as well as television stations, in light of the subsequent issuance of Presidential Decree No. (PD) 576-A; Section 6 of P.D. No. 576-A further imposes, as an additional requirement to operate a radio or television station, an "authority" coming from "the Board of Communications and the Secretary of Public Works and Communications or their successors [(*i.e.*, the NTC)] who have the right and authority to assign to qualified parties frequencies, channels or other means of identifying broadcasting systems." (*Id.*)

— With respect to the broadcast industry, Section 1 of Act No. 3846, as amended, clearly provides that "no person, firm, company, association or corporation shall construct, install, establish, or operate a radio station within the Philippine Islands without having first obtained a franchise therefor from the Philippine Legislature." (*Id.*)

OBLIGATIONS

Extinguishment of — In *Allandale Sportsline, Inc., et al. v. The Good Dev't. Corp.*, we held: Tender of payment, without more, produces no effect; rather, tender of payment must be followed by a valid consignation in order to produce the effect of payment and extinguish an obligation; tender of payment is but a preparatory act to consignation. (Spouses Garcia *vs.* Spouses Soriano, G.R. No. 219431, Aug. 24, 2020) p. 342

— It is the manifestation by the debtor of a desire to comply with or pay an obligation; if refused without just cause, the tender of payment will discharge the debtor of the obligation to pay but only after a valid consignation of the sum due shall have been made with the proper court. (*Id.*)

Fraud — In its general sense, fraud is deemed to comprise anything calculated to deceive, including all acts and omissions and concealment involving a breach of legal or equitable duty, trust, or confidence justly reposed, resulting in damage to another, or by which an undue and unconscientious advantage is taken of another. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al. vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

PARTIES

Real parties-in-interest — The allegations in their complaint that they and their predecessors-in-interest had always owned and possessed Lot 1324 clearly make them real parties-in-interest who have a cause of action against petitioners' predecessor-in-interest who wrongfully included a portion thereof in his title; interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al. vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

PLEADINGS

Caption — The error within the title's caption in the resolution dismissing petitioners' motion for reconsideration is not equivalent to a misapprehension of facts; the inclusion of the names of parties in the caption of a pleading is only a formal requirement, for what is controlling are the allegations contained within. (Alliance of Non-Life Insurance Workers of the Philippines, Represented by Jubert Maun as President, *et al. vs.* Hon. Leandro R. Mendoza, as Secretary, Department of Transportation and Communications, *et al.*, G.R. No. 206159, Aug. 26, 2020) p. 574

PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION - STANDARD EMPLOYMENT CONTRACT (POEA-SEC)

Construction — Being faced with two interpretations as to the status of the overseas worker's employment, the court ruled in favor of the worker's insurance policy coverage in light of the Labor Code provision that in case of doubt, all labor contracts shall be construed in favor of the safety and decent living of the laborer; hence, respondents are entitled to the insurance benefit of an agency-hired worker, who suffered a natural death. (Eastern Overseas Employment Center, Inc., *et al. vs.* Heirs of the Deceased Nomer P. Odulio, represented by his wife, May Imbag Odulio, G.R. No. 240950, July 29, 2020) p. 42

Work-related illness — A final, conclusive and definite assessment must clearly state whether the seafarer is fit to work or the exact disability rating, or whether such illness is work-related, and without any further condition or treatment; it should no longer require any further action on the part of the company-designated physician and it is issued by the company-designated physician after he or she has exhausted all possible treatment options within the periods mandated by law. (Corcoro, Jr. *vs.* Magsaysay Mol Marine, Inc., *et al.,* G.R. No. 226779, Aug. 24, 2020) p. 369

— It is settled that when it is shown that the seafarer's work may have contributed to the establishment or, at the very least, aggravation of any pre-existing disease, the condition/illness suffered by the seafarer shall be compensable. (*Id.*)

— The POEA-SEC defines a work-related illness as any sickness resulting from an occupational disease under the non-exhaustive list in Section 32-A. (*Id.*)

— Under Section 20(A) of the POEA-SEC, an employer shall be liable for a seafarer's illness or injury when it is proven that: (1) the injury or illness is work-related; and (2) the work-related injury or illness existed during the term of the seafarer's employment contract. (*Id.*)

— We emphasize the importance of compliance by the company and the company-designated physician in issuing a final and definitive assessment within the 12/240 day mandated periods; for only with said assessment can the seafarer then seek the opinion of his or her personal physician; the periods are mandatory to prevent the seafarer from endlessly waiting for a declaration of fitness to work or disability grading from the company and the company-designated physician. (*Id.*)

PRESCRIPTION

Prescription of actions for reconveyance — An action for reconveyance may be barred by prescription; an exception is when the property in dispute is in actual possession of the plaintiff; such plaintiff has a right to wait until his or her possession is disturbed or his or her title is questioned before initiating an action to vindicate his or her right. (Heirs of Pedro Hernando and Pacita Ronquillo, represented by Belen B. Ortiz, *et al. vs.* Spouses Gamboa, G.R. No. 233055, Aug. 19, 2020) pp. 207-208

PRESUMPTIONS

Presumption of regularity in the performance of duties — Police officers are generally presumed to have regularly performed their duties and their testimonies in criminal

cases are given credence; their extensive training and the gravity of their sworn duty to protect the peace give weight to their observations in the field; the presumption, however, can be overturned when there is evidence to the contrary. (People *vs.* Daguman, *alias* "Mark," G.R. No. 219116, Aug. 26, 2020) p. 670

PUBLIC LAND ACT (C.A. NO. 141)

Free patent application — In *Republic v. Roasa*, We clarified that a possessor or occupant of property may be a possessor in the concept of an owner prior to the determination that the property is alienable and disposable agricultural land; the computation of the period of possession may include the period of adverse possession prior to the declaration that the land is alienable and disposable. (Valdez, *et al. vs.* Heirs of Antero Catabas, G.R. No. 201655, Aug. 24, 2020) p. 275

— Under Section 11 of C.A. No. 141, there are two modes of disposing public lands through confirmation of imperfect or incomplete titles: (1) by judicial confirmation; and (2) by administrative legalization, otherwise known as the grant of free patents. (*Id.*)

QUALIFIED RAPE

Elements — Jurisprudence has been clear in laying down the elements of qualified rape, especially *incestuous* rape; these elements are: (a) the victim is a female over 12 years but under 18 years of age; (b) the offender is a parent, ascendant, stepparent, guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim; and (c) the offender has carnal knowledge of the victim either through force, threat, or intimidation. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— The elements of qualified rape are: (1) sexual congress; (2) with a woman; (3) done by force and without consent; (4) the victim is under 18 years of age at the time of the rape; (5) the offender is a parent, ascendant, step-parent,

guardian, relative by consanguinity or affinity within the third civil degree, or the common-law spouse of the parent of the victim." (People *vs.* Manlolo, G.R. No. 227841, Aug. 19, 2020) p. 190

RAPE

Commission of — The Court has recognized that many incidents of rape were not always committed in secluded places; as aptly stated by the Court, "lust is no respecter of time or place, and rape defies constraints of time and space." (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

— The following are the elements of the offense: (a) the offender had carnal knowledge of a woman; and (b) he accomplished this act under the circumstances mentioned in the provision, *e.g.*, through force, threat or intimidation; the gravamen of rape is sexual intercourse with a woman against her will. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— The lack of resistance of AAA cannot be taken as evidence that rape was not committed; physical resistance to a rape need not be established where it is shown that the rape victim was threatened or intimidated into submission by the assailant. (People *vs.* Evardone, G.R. No. 248204, Aug. 24, 2020) p. 467

RAPE BY SEXUAL ASSAULT

Elements — The following are the elements of Rape by Sexual Assault under Article 266-A(2) of the RPC: (1) That the offender commits an act of sexual assault; (2) That the act of sexual assault is committed by any of the following means: (a) By inserting his penis into another person's mouth or anal orifice; or (b) By inserting any instrument or object into the genital or anal orifice of another person; (3) That the act of sexual assault is accomplished under any of the following circumstances: (a) By using force and intimidation; (b) When the woman is deprived of reason or otherwise unconscious; or (c) By means of fraudulent machination or grave abuse of authority; or

(d) When the woman is under 12 years of age or demented. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

REALTY INSTALLMENT BUYER PROTECTION ACT (R.A. NO. 6552)

Application of — The Realty Installment Buyer Protection Act, otherwise known as R.A. No. 6552 or the Maceda Law, protects "buyers of real estate on installment payments against onerous and oppressive conditions"; one of the legal features of R.A. No. 6552 is Section 4 thereof, which provides for the remedies of a defaulting buyer that has paid less than two years of installment amortizations for a purchase of real property. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

Conditions before a seller may cancel a contract — Section 4 of R.A. No. 6552 requires four (4) conditions before the seller may actually cancel the contract thereunder: *first*, the defaulting buyer has paid less than two (2) years of installments; *second*, the seller must give such defaulting buyer a sixty (60)-day grace period, reckoned from the date the installment became due; *third*, if the buyer fails to pay the installments due at the expiration of the said grace period, the seller must give the buyer a notice of cancellation and/or a demand for rescission by notarial act; and *fourth*, the seller may actually cancel the contract only after the lapse of thirty (30) days from the buyer's receipt of the said notice of cancellation and/or demand for rescission by notarial act. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

Deed of rescission — Rescission is an act or a deed, directly or impliedly done, where a contract is cancelled, annulled, or abrogated by the parties, one of them, or by the court; an act or a deed of rescission is distinct and separate from an allegation of rescission, an allegation being an assertion, declaration, or statement of a party to an action, contained generally in an affidavit or a legal pleading,

setting out what is yet to be proven. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

Notarial rescission — A notarial rescission contemplated under R.A. No. 6552 is a unilateral cancellation by a seller of a perfected contract thereunder acknowledged by a notary public and accompanied by competent evidence of identity; this notarial notice of rescission has peculiar technical requirements. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

Remedies of the defaulting buyer — We point out that a defaulting buyer of real property on installments, whether or not she or he has paid two (2) years of installments, has three (3) common legal remedies in the absence of a valid rescission, granted by Section 6 of R.A. No. 6552 and jurisprudence: (a) Pay in advance any installment at any time, necessarily without interest; (b) Pay the full unpaid balance of the purchase price at any time without interest, and to have such full payment of the purchase price annotated in the certificate of title covering the real property subject of the transaction under R.A. No. 9552; or (c) Claim an equitable refund of prior payments and/or deposits made by the defaulting buyer to the seller pertinent to their transaction under R.A. No. 9552, if any. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

RES JUDICATA

Bar by prior judgment — A bar by prior judgment exists when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. (ASB Realty Corporation, represented by Elena F. Felipe *vs.* Espenesin, Registrar, Register of Deeds of Pasig City, G.R. No. 207059, Aug. 19, 2020) p. 164

Conclusiveness of judgment — Conclusiveness of judgment under Section 47(c) operates under the same element,

except that there is identity only of issues and parties, but not of causes of action; for this reason, except in those instances allowed under the law or rules of court, a former final judgment rendered by a competent court in another action between the same parties based on a different claim or cause of action will not bar a second case; however, as said former final judgment is conclusive, "any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein, and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same." (Reyes *vs*. The Honorable Sandiganbayan Third Division, *et al*., G.R. No. 243411, Aug. 19, 2020) p. 227

— There is conclusiveness of judgment when there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. (ASB Realty Corporation, represented by Elena F. Felipe *vs.* Espenesin, Registrar, Register of Deeds of Pasig City, G.R. No. 207059, Aug. 19, 2020) p. 164

Principle of — A final judgment on the merits rendered by a court of competent jurisdiction is conclusive as to the rights of the parties and their privies; respondent is barred, either by operation of *res judicata* or through its express recognition in the Memorandum of Agreement (MOA), from asserting any misrepresentation on the part of petitioner with respect to the ownership issue which had already been conclusively settled through a final judgment. (Unirock Corporation, as represented by Edison U. Ojerio *vs.* Carpio, *et al*., G.R. No. 213421, Aug. 24, 2020) p. 326

— A re-litigation of the facts and issues would violate the *res judicata* rule, which is rooted on public policy; and the purpose is to avoid multiplicity of suits; Section

47(b) and Section 47(c) of Rule 39 of the Rules of Court embody the doctrine of *res judicata,* that is, bar by prior judgment and conclusiveness of judgment, respectively. (ASB Realty Corporation, represented by Elena F. Felipe *vs.* Espenesin, Registrar, Register of Deeds of Pasig City, G.R. No. 207059, Aug. 19, 2020) p. 326

— The doctrine of *res judicata* under Section 47(b), Rule 39, Rules of Court bars a second case on the basis of a former final judgment if the following elements are present: there is a former final judgment that was rendered on the merits; the court in the former judgment had jurisdiction over the subject matter and the parties; and there is identity of parties, subject matter and cause of action between the first and second cases. (Reyes *vs.* The Honorable Sandiganbayan Third Division, *et al.*, G.R. No. 243411, Aug. 19, 2020) p. 227

REVISED GUIDELINES FOR CONTINUOUS TRIAL OF CRIMINAL CASES (A.M. NO. 15-06-10-SC)

Application of — A delay either during the preliminary investigation stage, the trial of the case, or the resolution of a mere incidental or interlocutory matter, in a way that is oppressive, capricious and vexatious, constitutes a violation of the right of a party to speedy trial or disposition, warranting the ouster of the court of jurisdiction and the dismissal of the case. (Reyes *vs.* The Honorable Sandiganbayan Third Division, *et al.*, G.R. No. 243411, Aug. 19, 2020) p. 227

— Delay in one segment of the proceedings which does not stall the main proceedings in the entire case does not give rise to a violation of the right of a party to speedy trial or disposition of his or her case; much less, when the delay in one segment can be attributed to the conduct of said party of swarming the court with other incidental motions and petitions that can sap its time and attention; bail proceedings need not be comprehensive or detailed, for all that is required is a mere summary treatment of a limited question of whether there is strong evidence against the bail applicant. (*Id.*)

— Even if the delay occurred in only one segment of the proceedings or on the resolution of an interlocutory matter, the delay amounts to the violation of the party's right to speedy trial or disposition which will lead to the dismissal of the entire case, where there is evidence that the segment delay stalled the entire proceedings in a way that is vexatious, capricious and oppressive; the delay in resolving petitioner's application for bail was not oppressive and vexatious, as the delay was due to the numerous and simultaneous incidents initiated by the petitioner and her co-accused which the Sandiganbayan had to resolve, in addition to the main case. (*Id.*)

ROBBERY

Simple robbery — The "intimate connection" essential for a robbery with homicide was ill-established; even accused-appellant's alleged act of reaching into the laptop bag, which could be construed as a threat, occurred after Sigua had been shot tending to show that he had not performed any act that directly led to or caused Sigua's death; the homicide on the occasion of this robbery, which would make the crime robbery with homicide, was not proved beyond reasonable doubt; thus, accused-appellant may only be convicted of simple robbery under Article 294(5) of the Revised Penal Code. (People *vs.* Daguman, *alias* "Mark," G.R. No. 219116, Aug. 26, 2020) p. 670

ROBBERY WITH HOMICIDE

Commission of — In robbery with homicide, the original criminal design of the malefactor is to commit robbery, with homicide perpetrated on the occasion or by reason of the robbery; the intent to commit robbery must precede the taking of human life; the homicide may take place before, during or after the robbery; it is only the result obtained, without reference or distinction as to the circumstances, causes or modes or persons intervening in the commission of the crime that has to be taken into consideration. (People *vs.* Daguman, *alias* "Mark," G.R. No. 219116, Aug. 26, 2020) p. 670

— Not all deaths on the occasion of a robbery have been considered by this Court as one of robbery with homicide; for one, if the robbery was committed by a band, and the accused was proven to have attempted to prevent the assaults committed by their co-robbers during the robbery, they shall not be punished as a principal in any of the assaults the band committed pursuant to Article 296 of the Revised Penal Code. (*Id.*)

— One who participated in a robbery, by reason or on occasion of which a homicide occurs even if the person did not take part in the killing is guilty of robbery with homicide; each conspirator answers for all the acts of the others committed for this accomplishment of the common purpose. (*Id.*)

— Robbery with homicide is committed when the robbers kill their victims, or bystanders who attempt to thwart the robbery, or responding police officers; this Court reasoned that, in robbery with homicide, the victim of the robbery did not need to be the victim of the homicide. (*Id.*)

Elements — The elements of robbery with homicide are: "(1) the taking of personal property with violence or intimidation against persons; (2) the property taken belongs to another; (3) the taking was done with *animo lucrandi*; and (4) on the occasion of the robbery or by reason thereof, homicide was committed." (People *vs.* Daguman, *alias* "Mark," G.R. No. 219116, Aug. 26, 2020) p. 670

ROBBERY WITH RAPE

Commission of — Article 294, paragraph 1 of the RPC, states that the penalty of *reclusion perpetua* to death is to be imposed when on the occasion of the robbery, a rape was committed; Article 63 of the RPC provides that when the penalty is composed of two indivisible penalties and neither an aggravating nor mitigating circumstance is present, the lesser penalty is to be imposed. (People *vs.* Evardone, G.R. No. 248204, Aug. 24, 2020) p. 467

— To be convicted of the special complex crime of Robbery with Rape, the original intent of the accused was to take, with intent to gain, the personal property of the victim, and rape was just committed on the occasion thereof. (*Id.*)

2004 RULES ON NOTARIAL PRACTICE

Application of — Community tax certificates or cedulas are impermissible proof of identity for their established unreliability and the considerable ease in securing their issuance, thereby justifying their eventual exclusion from the list of competent evidence of identity that notaries public should use in ascertaining the identity of persons appearing before them. (Pryce Properties Corp. (now Pryce Corporation) *vs.* Nolasco, Jr., G.R. No. 203990, Aug. 24, 2020) p. 292

— Under notarial rules, acknowledgments cover written deeds and acts, whereas *jurat*s confirm affidavits and pleadings; the foregoing thus defined, a deed of rescission notarized *via* acknowledgment is already a piece of evidence all on its own; on the other hand, an allegation of rescission contained in an affidavit or a pleading and confirmed by a notarial *jurat* still remains to be proved; it merely implies that the signatory thereof sets out to prove the fact of the rescission before a notary public. (*Id.*)

SEXUAL ASSAULT

Article 266-A(2) of the Revised Penal Code in relation to Section 5(b) of Republic Act No. 7610 — In *People v. Tulagan,* the Court explained that: considering the development of the crime of sexual assault from a mere "crime against chastity" in the form of acts of lasciviousness to a "crime against persons" akin to rape, as well as the rulings in *Dimakuta* and *Caoili*, We hold that if the acts constituting sexual assault are committed against a victim under 12 years of age or is demented, the nomenclature of the offense should now be "Sexual Assault under paragraph 2, Article 266-A of the RPC in

relation to Section 5 (b) of R.A. No. 7610" and no longer "Acts of Lasciviousness under Article 336 of the RPC in relation to Section 5 (b) of R.A. No. 7610," because sexual assault as a form of acts of lasciviousness is no longer covered by Article 336 but by Article 266-A (2) of the RPC, as amended by R.A. No. 8353; nevertheless, the imposable penalty is still *reclusion temporal* in its medium period, and not *prision mayor*. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

STARE DECISIS

Principle of — In *De Mesa v. Pepsi Cola Products Phils., Inc.:* The principle of *stare decisis et non quieta movere* is entrenched in Article 8 of the Civil Code; it enjoins adherence to judicial precedents; it requires our courts to follow a rule already established in a final decision of the Supreme Court; that decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. (Gotesco Properties, Inc. *vs.* International Exchange Bank (Now Union Bank of the Philippines), G.R. No. 212262, Aug. 26, 2020) p. 636

— The doctrine of *stare decisis* is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument. (*Id.*)

— The principle of *stare decisis* applies only to final decisions of this Court, because only this Court may create judicial precedents that other courts should follow. (*Id.*)

STATUTES

Effectivity of — Article 4 of the Civil Code provides that "laws shall have no retroactive effect, unless the contrary is provided; correlatively, Article 8 of the same Code declares that "judicial decisions applying the laws or the Constitution shall form part of the legal system of the Philippines." (Ramos, *et al. vs.* National Commission on Indigenous Peoples (NCIP), *et al.*, G.R. No. 192112, Aug. 19, 2020) p. 132

— As a rule, judicial interpretations form part of the law upon the date of effectivity of the said law, and the exception to this is when a doctrine of the Court overturns or reverses a previous doctrine and adopts a different view, in which case the new doctrine must be applied prospectively. (*Id.*)

STATUTORY CONSTRUCTION

Penal statutes — It is a basic rule in statutory construction that penal statutes are construed against the State and in favor of the accused; the reason for this principle is the tenderness of the law for the rights of individuals and the object is to establish a certain rule by conformity to which mankind would be safe, and the discretion of the court limited; the purpose of strict construction is not to enable a guilty person to escape punishment through a technicality but to provide a precise definition of forbidden acts. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

Rules of procedure — Rules of procedure are mere tools designed to expedite the decision or resolution of cases and other matters pending in court and a strict and rigid application of rules that would result in technicalities that tend to frustrate rather than promote substantial justice must be avoided. (PO1 Delos Santos *vs.* People, *et al.*, G.R. No. 231765, Aug. 24, 2020) p. 385

STATUTORY RAPE

Commission of — It is termed statutory rape as it departs from the usual modes of committing rape; the law presumes that the victim does not and cannot have a will of her own on account of her tender years; what the law punishes in Statutory Rape is carnal knowledge of a woman below 12 years old. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

— It must be remembered that statutory rape, as punished under Article 266-A of the Revised Penal Code and amended by Republic Act No. 8353, paragraph 1(d), is

different compared to other forms of rape. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— What the law punishes in statutory rape is carnal knowledge of a woman below twelve (12) years old; thus, force, intimidation and physical evidence of injury are not relevant considerations; the only subject of inquiry is the age of the woman and whether carnal knowledge took place. (*Id.*)

Elements — Committed when: (1) the offended party is under 12 years of age; and (2) the accused had carnal knowledge of her, regardless of whether there was force, threat or intimidation, whether the victim was deprived of reason or consciousness, or whether it was done through fraud or grave abuse of authority. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

TAXATION

Final assessment notice — As held in *Commissioner of Internal Revenue v. Fitness by Design, Inc.*: a final assessment is a notice "to the effect that the amount therein stated is due as tax and a demand for payment thereof"; this demand for payment signals the time "when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies; thus, it must be "sent to and received by the taxpayer, and must demand payment of the taxes described therein within a specific period." (Commissioner of Internal Revenue *vs.* T Shuttle Services, Inc., G.R. No. 240729, Aug. 24, 2020) p. 409

— Even if the final assessment notice and assessment notices attached thereto were duly served on and received by the taxpayer, they are still void and without any legal consequence, where the same did not prescribe a definite period for the taxpayer to pay the assessed deficiency taxes. (*Id.*)

National Internal Revenue Code (NIRC) — Section 228 of the National Internal Revenue Code of 1997, as amended, requires the assessment to inform the taxpayer in writing

of the law and the facts on which the assessment is made; otherwise, the assessment shall be void. (Commissioner of Internal Revenue *vs.* T Shuttle Services, Inc., G.R. No. 240729, Aug. 24, 2020) p. 409

Revenue Regulations (RR) 12-99 — The deficiency income tax and value-added tax assessments are void where the taxpayer was not accorded due process in their issuance. (Commissioner of Internal Revenue *vs.* T Shuttle Services, Inc., G.R. No. 240729, Aug. 24, 2020) p. 409

THEFT

Elements of — Under Article 308 of the RPC, the essential elements of theft are: (1) the taking of personal property; (2) the property belongs to another; (3) the taking away done with intent of gain; (4) the taking away was done without the consent of the owner; and (5) the taking away is accomplished without violence or intimidation against person or force upon things. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

WITNESSES

Credibility of — Based on jurisprudence, the testimonies of child victims are given full weight and credit, for when a woman or a girl-child says that she has been raped, she says in effect all that is necessary to show that rape was indeed committed." (People *vs.* Manlolo, G.R. No. 227841, Aug. 19, 2020) p. 190

— Inconsistencies on inconsequential matters that have nothing to do with the elements of the crime cannot result to the acquittal of the accused-appellant. (People *vs.* Evardone, G.R. No. 248204, Aug. 24, 2020) p. 467

— It is well-settled that minor inconsistencies in the testimony of the victim does not automatically discredit the credibility of the witness; it should be borne in mind that minor inconsistencies are to be expected when a victim recalls her harrowing and traumatic experience which are commonly too painful and agonizing to recount, especially in a courtroom setting. (*Id.*)

— No woman, least of all a child, would concoct a story of defloration, allow examination of her private parts and subject herself to public trial or ridicule if she has not, in truth, been a victim of rape and impelled to seek justice for the wrong done to her being; "when the offended party is of tender age and immature, courts are inclined to give credit to her account of what transpired, considering not only her relative vulnerability but also the shame to which she would be exposed if the matter to which she testified is not true." (People *vs.* Manlolo, G.R. No. 227841, Aug. 19, 2020) p. 190

— The determination by the trial court of the credibility of witnesses, when affirmed by the appellate court, is accorded full weight and credit as well as great respect, if not conclusive effect. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

— The trial court's evaluation of the credibility of witnesses is entitled to the highest respect and will not be disturbed on appeal considering that the trial court is in a better position to decide such question, having heard the witnesses themselves and observed their deportment and manner of testifying during the trial. (People *vs.* XYZ, G.R. No. 244255, Aug. 26, 2020) p. 752

— The trial court's findings on the issue of credibility of witnesses and the consequent findings of fact must be given great weight and respect on appeal, unless certain facts of substance and value have been overlooked which, if considered, might affect the result of the case. (*Id.*)

— The well-established rule is that findings of the trial courts which are factual in nature and which involve credibility are accorded respect when no glaring errors; gross misapprehension of facts; or speculative, arbitrary and unsupported conclusion can be gathered from such findings. (Realiza *vs.* People, G.R. No. 228745, Aug. 26, 2020) p. 724

— Though not binding, the findings and conclusions of this Court in *Napoles v. Sandiganbayan* regarding the strength of the evidence of the prosecution on the existence of conspiracy involving Napoles and her co-accused, and the commission of acts of plunder and corruption by Napoles, must be taken into account by the Sandiganbayan for purposes of a complete assessment of the credibility of the witnesses and the reliability of their testimonies. (Reyes *vs*. The Honorable Sandiganbayan Third Division, et al., G.R. No. 243411, Aug. 19, 2020) p. 227

— Time and again, the Court has held that when the decision hinges on the credibility of witnesses and their respective testimonies, the trial court's observations and conclusions deserve great respect and are often accorded finality; the reason therefor is that the trial judge enjoys the peculiar advantage of observing first-hand the deportment of the witnesses while testifying and is, therefore, in a better position to form accurate impressions and conclusions on the basis thereof. (People *vs.* XXX, G.R. No. 239906, Aug. 26, 2020) p. 736

— When a rape victim's testimony is straightforward and candid, unshaken by rigid cross-examination and unflawed by inconsistencies or contradictions in its material points, the same must be given full faith and credit. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

Testimony of — It is settled that testimonies of child victims are given full weight and credit, because when a woman, more so if she is a minor, says that she has been raped, she says in effect all that is necessary to show that rape was committed; youth and immaturity are generally badges of truth and sincerity. (People *vs.* HHH, G.R. No. 248245, Aug. 26, 2020) p. 773

CITATION

Page

I. LOCAL CASES

A Very Concerned Employee and Citizen *vs.*
De Mateo, 565 Phil. 657, 665 (2007) ... 119
AAA *vs.* De Los Reyes, A.C. Nos. 10021 & 10022,
Sept. 18, 2018, 880 SCRA 268, 281 ... 498, 501, 505
Abad *vs.* Court of Appeals,
353 Phil. 247, 253 (1998) ... 395
Active Realty Development *vs.*
Daroya, 431 Phil. 753 (2002) ... 310
Adez Realty, Inc. *vs.* CA, 321 Phil. 556 (1995) ... 501
Advincula *vs.* Advincula, A.C. No. 9226,
June 14, 2016, 793 SCRA 236, 247 ... 498
Advincula *vs.* Atty. Macabata,
546 Phil. 431, 447 (2007) ... 501-502
AFP Retirement and Separation
Benefits System (AFP-RSBS) *vs.*
Republic, 738 Phil. 143, 150-153 (2014) ... 289-290
Agustin *vs.* Delos Santos, G.R. No. 168139,
Jan. 20, 2009 ... 174
Agustin *vs.* People, 576 Phil. 188, 194 (2008) ... 769
Allandale Sportsline, Inc., et al. *vs.*
The Good Dev't. Corp., 595 Phil. 265 (2008) ... 358
Alminaza *vs.* Pagapong-Agraviador,
A.M. No. RTJ-16-2445 (Formerly OCA
I.P.I. No. 14-4323-RTJ), Jan. 25, 2016 ... 249
Alvarez *vs.* Guingona, Jr.,
322 Phil. 774, 787 [1996] ... 532
Amora *vs.* Commission on Elections,
655 Phil. 467 (2011) ... 545
Ancheta *vs.* Destiny Financial Plans, Inc.,
626 Phil. 550, 562 (2010) ... 271
Andres *vs.* Philippine National Bank,
745 Phil. 459 (2014) ... 62
Ang *vs.* Pacunio, 763 Phil. 542, 547 (2015) ... 225
Angelia *vs.* Judge Grageda, 656 Phil. 570 (2011) ... 249
Anonymous Complaint *vs.* Dagala,
814 Phil. 103, 136-156 (2017) ... 502
Antonio *vs.* Reyes, 519 Phil. 337 (2006) ... 440

Page

Arabani, Jr. *vs*. Arabani, 806 Phil. 129 (2017) 103
Aranas *vs*. People, G.R. No. 242315,
July 3, 2019 461-462
Arguelles *vs*. Malarayat Rural Bank, Inc.,
730 Phil. 226 (2014) 63
Arquero *vs*. Judge Mendoza, 374 Phil. 105 (1999) 250
Arrieta *vs*. Arrieta, G.R. No. 234808,
Nov. 19, 2018 131
Arrieta *vs*. Malayan Sawmill Co.,
133 Phil. 481, 485-486 (1968) 544
Asistio *vs*. Judge Aguirre, 633 Phil. 523 (2010) 545
Associated Communications & Wireless
Services-United Broadcasting Networks
vs. National Telecommunications Commission,
445 Phil. 621, 645 (2003) 527, 560
Atong Paglaum, Inc. *vs*. Commission on Elections,
707 Phil. 454 (2013) 546
Aurelio *vs*. Aurelio, 665 Phil. 693 (2011) 436
Azcueta *vs*. Republic, 606 Phil. 177 (2009) 442, 446
Bachrach Corporation *vs*. Court of Appeals,
357 Phil. 483, 492 (1998) 175
Bacolot *vs*. Hon. Judge Paño, 660 Phil. 303 (2011) 249-250
Bahanuddin *vs*. Hidalgo, 150 Phil. 495 (1972) 544
Balboa *vs*. Farrales, 51 Phil. 498 (1928) 284
Bangco *vs*. Gatdula, 428 Phil. 598 (2002) 249
Bank of Commerce *vs*. Spouses San Pablo, Jr.,
550 Phil. 805, 821 (2007) 62
Bank of the Philippine Islands *vs*.
Laingo, 783 Phil. 466 (2016) 714
Bankers Association of the Philippines *vs*.
Commission on Elections, 722 Phil. 92 (2013) 547
Banzon *vs*. Cruz, 150-A Phil. 865, 898 (1972) 544, 547
Barcelon, Roxas Securities, Inc. (now known
as UBP Securities, Inc.) *vs*. Commissioner
of Internal Revenue, 529 Phil. 785, 793 (2006) 422
Bardillion *vs*. Barangay Masili of Calamba,
Laguna, 450 Phil. 521, 528 (2003) 338
Baylon *vs*. Almo, 578 Phil. 238 (2008) 307
Beltran *vs*. Diaz, 77 Phil. 484 (1946) 540

Page

Beltran, Jr. *vs.* Judge Paderanga,
455 Phil. 227 (2003) 249
Berboso *vs.* Cabral, 813 Phil. 405,
421-422 (2017) 219
Bernaldez *vs.* Avelino (Resolution),
553 Phil. 685-697 (2007) 250
Bernardo *vs.* Judge Fabros, 366 Phil. 485 (1999) 249
Bicol Medical Center *vs.* Botor,
819 Phil. 447, 458, 461 (2017) 550-551
Bilag *vs.* Ay-ay, 809 Phil. 236 (2017) 154
Binay *vs.* Odeña, 551 Phil. 681, 689 (2007) 419
Blanco *vs.* Judge Andoy, 581 Phil. 302 (2008) 249
Bonifacio Law Office *vs.* Bellosillo,
442 Phil. 257 (2002) 325
Bonilla *vs.* Hon. Gustilo, 399 Phil. 16 (2000) 250
Boston Finance and Investment Corp. *vs.*
Gonzalez, A.M. No. RTJ-18-2520, Oct. 9, 2018 107
Bulan *vs.* Cardenas, 189 Phil. 596 (1980) 249
Bunagan-Bansig *vs.* Atty. Celera,
724 Phil. 141 (2014) 499
Cabanlig *vs.* Sandiganbayan, 502 Phil. 564 (2005) 691
Cabrera *vs.* Marcelo, 487 Phil. 427-448 (2004) 260
Cadavas *vs.* Court of Appeals, G.R. No. 228765,
March 20, 2019 272-273
Cahulogan *vs.* People, G.R. No. 225695,
March 21, 2018, 860 SCRA 86, 95 461
Camacho-Reyes *vs.* Reyes-Reyes,
642 Phil. 602 (2010) 438, 442, 446, 452
Campos *vs.* Ortega, Sr., 734 Phil. 585, 604 (2014) 226
Carinan *vs.* Spouses Cueto, 745 Phil. 186, 192 (2014) 218
Centeno *vs.* Villalon-Pornillos,
306 Phil. 219, 231 (1994) 771
Central Bank of the Philippines *vs.*
Cloribel, 150-A Phil. 86 (1972) 552
Century Iron Works, Inc., et al. *vs.* Bañas,
711 Phil. 576, 585-586 (2013) 153, 419
Chi Ming Tsoi *vs.* Court of Appeals, 334 Phil. 294 440
Chiok *vs.* People, G.R. Nos. 179814 & 180021,
Dec. 7, 2015 256

Page

Chiquita Brands, Inc. *vs*. Omelio,
810 Phil. 497 (2017) 648
CIR *vs*. Embroidery and Garments Industries
(Phil.), Inc., 364 Phil. 541, 546 (1999) 26
CIR *vs*. Univation Motor Philippines, Inc.,
G.R. No. 231581, April 10, 2019 424
City Government of Baguio *vs*. Masweng
(City Government of Baguio),
597 Phil. 668 (2009) 161
City Government of Tagaytay *vs*.
Judge Guerrero, 616 Phil. 28 (2009) 543
City of Taguig *vs*. City of Makati,
787 Phil. 367 (2016) 627, 647
Co *vs*. People, 610 Phil. 60-71 (2009) 257
Columbia Pictures, Inc. *vs*. Honorable
Court of Appeals, 329 Phil. 875 (1996)............................... 159
Comm. of Public Highways *vs*. San Diego,
142 Phil. 553 (1970) 547
Commissioner of Internal Revenue *vs*.
Bank of the Philippine Islands,
G.R. No. 224327, June 11, 2018,
866 SCRA 104, 113 424
Fitness by Design, Inc., 799 Phil. 391 (2016) 426
GJM Phils. Manufacturing, Inc.,
781 Phil. 816, 825 (2016) 420, 424
MERALCO, 735 Phil. 547, 561 (2014) 424
Team [Phils.] Operations Corp.,
731 Phil. 141, 152-153 (2014).. 424
Constantino *vs*. Sandiganbayan, G.R. No. 140656,
Sept. 13, 2007, 533 SCRA 205 257
Coscolla *vs*. People, 617 Phil. 661 (2009) 694
Cruz *vs*. Court of Appeals, 527 Phil. 230 (2006) 271
Cusi-Hernandez *vs*. Spouses Diaz,
390 Phil. 1245, 1252 (2000) 393
David *vs*. Arroyo, 522 Phil. 705 (2006) 614
De Leon *vs*. Maunlad Trans, Inc.,
805 Phil. 531 (2017) 381
De Mesa *vs*. Pepsi Cola Products Phils., Inc.,
504 Phil. 685 (2005) 647

Page

Department of Education *vs*. Mariano Tuliao,
735 Phil. 703, 711 (2014) 218
Development Bank of the Phils. *vs*. Guariña
Agricultural & Realty Development Corp.,
724 Phil. 209-226 (2014) 257
Diamond Builders Conglomeration *vs.*
Country Bankers Insurance Corporation,
564 Phil. 756 (2007) 336-337, 340
Diaz, Jr. *vs*. Valenciano, Jr.,
G.R. No. 209376, Dec. 6, 2017 174
Dimayuga *vs*. Commission on Elections,
550 Phil. 387, 394 (2007) 540
Divinagracia *vs*. Consolidated Broadcasting System,
Inc., 602 Phil. 625, 668 (2009) 528, 559-560, 569, 571
Dohle-Philman Manning Agency, Inc. *vs*.
Heirs of Gazzingan, 760 Phil. 861 (2015) 381
Dojillo *vs*. Commission on Elections,
528 Phil. 890 (2006) 549
Dumadag *vs*. Atty. Lumaya, 390 Phil. 1, 10 (2000) 501
Duque *vs*. Calpo, A.M. No. P-16-3505,
Jan. 22, 2019 102
Duty Paid Import Co., Inc. *vs*. Landbank
of the Philippines, G.R. No. 238258,
Dec. 10, 2019 25-26
Dynamic Builders & Construction Co.
(Phil.), Inc. *vs.* Presbitero, Jr.,
757 Phil. 454, 470, 481 (2015) 540, 551
Eastern Shipping Lines, Inc. *vs*.
Court of Appeals, 304 Phil. 236 (1994) 299
Elburg Shipmanagement Phils., Inc. *vs*.
Quiogue, Jr., 765 Phil. 341, 361-362 (2015) 39, 383
Enrile *vs*. Sandiganbayan, 767 Phil. 147 (2015) 242
Estalilla *vs*. Commission on Audit,
G.R. No. 217448, Sept. 10, 2019 129
Executive Secretary *vs*. Forerunner
Multi Resources, Inc., 701 Phil. 64 (2013) 551
Extraordinary Development Corp. *vs*.
Samson-Bico, 745 Phil. 276, 293 (2014) 770

Page

Eyana *vs*. Philippine Transmarine Carrier, Inc.,
752 Phil. 232 (2015) 376
Fabian *vs*. Hon. Desierto,
356 Phil. 787 (1998) 366-367
Fajardo *vs*. People, 691 Phil. 752, 758-759 (2012) 404
Fil-Estate Golf and Development, Inc. *vs*.
CA, 333 Phil. 465 (1996) 628
Filinvest Credit Corporation *vs*. The Intermediate
Appellate Court, 248 Phil. 394 (1988) 542
Firaza *vs*. People, 47 Phil. 572, 584 (2007) 750
Floro Enterprises, Inc. *vs*. Court of Appeals,
319 Phil. 473 (1995) 544
Fortich *vs*. Corona, 352 Phil. 461 (1998) 149
Fortune Homes, Inc. *vs*. Court of Appeals,
214 Phil. 369 (1984) 654
Francisco *vs*. Co, 516 Phil. 588-604 (2006) 257
Francisco *vs*. Rojas, 734 Phil. 122, 151 (2014) 225
Francisco, Jr. *vs*. Toll Regulatory Board,
648 Phil. 54, 91 (2010) 527
Franco *y* Eslaban *vs*. People, G.R. No. 240480,
March 13, 2019 801
Fuji Television Network, Inc. *vs*. Espiritu,
749 Phil. 388, 416 (2014) 25
Gabutan *vs*. Nacalaban, 788 Phil. 546, 577 (2016) 220
Garcia *vs*. Court of Appeals,
324 Phil. 846, 849 [1996) 465
Executive Secretary, 602 Phil. 64 (2009) 608
Mojica, 372 Phil. 892, 900 (1999) 548
Gatchalian Realty *vs*. Angeles,
722 Phil. 407 (2013) 310
Gios Samar, Inc. *vs*. Department of Transportation
and Communications, G.R. No. 217158,
March 12, 2019 151-152
Globe Telecom, Inc. *vs*. National Telecommunications
Commission, 479 Phil. 1 (2004) 551, 557
GMA Network, Inc. *vs*. National Telecommunications
Commission, 780 Phil. 244 (2016) 555
Gomeco Metal Corp. *vs*. Court of Appeals,
G.R. No. 202531, Aug. 17, 2016 256

Page

Grace Park International Corporation *vs.* Eastwest Banking Corporation, G.R. No. 210606, July 27, 2016 174
Grace Park International Corporation *vs.* Eastwest Banking Corporation, 791 Phil. 570 (2016) 631
Grand Union Supermarket, Inc. *vs.* Espino, Jr., 183 Phil. 507 (1979) 542
Gutierrez *vs.* Commission on Audit, 750 Phil. 413, 430 (2015) 130
Gutierrez *vs.* House of Representatives, 658 Phil. 322 (2011) 546
Guy *vs.* Tulfo, G.R. No. 213023, April 10, 2019 543
Hebron *vs.* Garcia II , 698 Phil. 615-626 (2012) 250
Heirs of Jose Lim *vs.* Lim, 628 Phil. 40, 48 (2010) 26
Heirs of Kionisala *vs.* Heirs of Dacut, 428 Phil. 249 (2002) 664
Hernandez *vs.* Court of Appeals, 377 Phil. 919 (1999) 437
Hernandez *vs.* Magsaysay Maritime Corporation, G.R. No. 226103, Jan. 24, 2018 41
Hilario *vs.* People, 574 Phil. 348, 363 (2008) 393
Hortizuela *vs.* Tagufa, 754 Phil. 499, 508 (2015) 219
Inco *vs.* Enriquez, 107 Phil. 226 (1960) 541
In-N-Out Burger, Inc. *vs.* Sehwani, Incorporated, 595 Phil. 1119, 1139 (2008) 305
Jaca *vs.* People, 702 Phil. 210-262 (2013) 263
Jalosjos *vs.* Commission on Elections, 686 Phil. 563 (2012) 545
Jarcia, Jr. *vs.* People, 682 Phil. 317 (2012) 543
Jebsens Maritime, Inc. *vs.* Mirasol, G.R. No. 213874, June 19, 2019 381
Joson *vs.* The Office of the Ombudsman, et al., 816 Phil. 288, 311 (2017) 365-367
Joson *vs.* The Office of the Ombudsman, et al., 784 Phil. 172 (2016) 367
Juan P. Pellicer & Co., Inc. *vs.* Philippine Realty Corporation, 87 Phil. 302 (1950) 541

Page

Kalaw *vs.* Fernandez, 750 Phil. 482,
515-517 (2015) 437, 442, 446, 452-453
Kalaw *vs.* Fernandez, 673 Phil. 460 (2011) 441
KT Construction Supply, Inc. *vs.* Philippine
Savings Bank, 811 Phil. 626 (2017) 652
Lacson *vs.* MJ Lacson Development Company,
Inc., 652 Phil. 34, 48 (2010) 49
Land Bank of the Philippines *vs.*
Fastech Synergy Philippines, Inc.,
816 Phil. 422, 443-444 (2017) 616
Land Transportation Office *vs.* City of Butuan,
379 Phil. 887, 896 (2000) 527
Lansangan *vs.* Caisip, G.R. No. 212987,
Aug. 6, 2018 322
Lao, et al. *vs.* LGU of Cagayan de Oro City,
et al., 818 Phil. 92, 113 (2017) 17
Lapanday Agricultural & Development Corp.
vs. Estita, G.R. No. 162109, Jan. 21, 2005 141
Lapi *vs.* People, G.R. No. 210731, Feb. 13, 2019 465
Lemi *vs.* Valencia, 135 Phil. 185, 199-200 (1968) 556, 567
Leoncio *vs.* MST Marine Services (Phils.),
Inc., et al., 822 Phil. 494, 506 (2017) 52
Leoncio, et al. *vs.* Vera, et al.,
569 Phil. 512, 516 (2008) 419
Ley Construction & Development Corp. *vs.*
Philippine Commercial and International
Bank, 635 Phil. 503-514 (2010) 256
Lim *vs.* Equitable PCI Bank,
724 Phil. 453, 454 (2014) 26, 708
Limpin, Jr. *vs.* Intermediate Appellate Court,
231 Phil. 466, 474 (1987) 352-353
Liwanag *vs.* Commission on Audit,
G.R. No. 218241, Aug. 6, 2019 131
Los Baños Rural Bank, Inc. *vs.* Africa,
433 Phil. 930, 945-946 (2002) 539, 542, 547, 550
Luzon Brokerage Company, Inc. *vs.*
Maritime Building Company, Inc.,
150 Phil. 114 (1972) 543-544

Page

Mabeza *vs*. National Labor Relations
Commission, 338 Phil. 386, 395-396 (1997) 272
Maceda *vs*. Vasquez, 293 Phil. 503 (1993) 117
Madrigal Transport, Inc. *vs*. Lapanday
Holdings Corporation, 479 Phil. 768 (2004) 150
Magante *vs*. Sandiganbayan (Third Division),
G.R. Nos. 230950-51, July 23, 2018 252
Magbanua *vs*. Uy, 497 Phil. 511, 525-526 (2005) 354-355
Maglakas *vs*. National Housing Authority,
578 Phil. 152, 166-167 621
Magno *vs*. People, G.R. No. 230657, March 14, 2018 250
Magsaysay Mitsui OSK Marine, Inc., et al. *vs*.
Bengson, 745 Phil. 313 (2014) 381
Makabali *vs*. Court of Appeals, 241 Phil. 260 (1988) 542
Malanyaon *vs*. Galang, 173 Phil. 312 (1978) 117-118
Malixi *vs*. Baltazar, G.R. No. 208224,
Nov. 22, 2017, 846 SCRA 244, 256-258 319
Mallillin *vs*. Jamesolamin, 754 Phil. 158, 203 (2015) 452
Malvar *vs*. Baleros, 807 Phil. 16, 29 (2017) 305
Mamba *vs*. Lara, 623 Phil. 63 (2009) 615
Manacop *vs*. Court of Appeals,
290 Phil. 271, 279 (1992) 352
Manansala *vs*. Marlow Navigation Phils., Inc.,
817 Phil. 84 (2017) 381
Maniago *vs*. Atty. De Dios, 631 Phil. 139 (2010) 501
Manila Hotel Corp. *vs*. De Leon, G.R. No. 219774,
July 23, 2018 271
Marbella-Bobis *vs*. Bobis, 391 Phil. 648 (2000) 500
Marcos *vs*. Marcos, 397 Phil. 840 (2000) 439
Matis *vs*. Manila Electric Co.,
795 Phil. 311, 322 (2016) 271
Mecano *vs*. Commission on Audit,
209-A Phil. 272 (1992) 620
Medina *vs*. Mayor Asistio, Jr.,
269 Phil. 225 (1990) 25
Mega-Land Resources and Development
Corporation *vs*. C-E Construction Corporation,
555 Phil. 581, 590-591 (2007) 633

Page

Megaworld Properties and Holdings, Inc. *vs*. Majestic Finance and Investment Company, Inc., 775 Phil. 34 (2015) 548
Menchavez *vs*. Bermudez, 697 Phil. 447 (2012) 337
Mendoza *vs*. Court of Appeals, 340 Phil. 634 (1997) 652, 654
Mendoza-Ong *vs*. Sandiganbayan, 483 Phil. 451 (2004) 252
Menez *vs*. Status Maritime Corporation, G.R. No. 227523, Aug. 29, 2018 35
Meralco Industrial *vs*. National Labor Relations Commission, 572 Phil. 94, 117 (2008) 25
Mercado *vs*. Santos, 66 Phil. 215 (1938) 250
Microsoft Corporation, et al. *vs*. Farajallah, et al., 742 Phil. 775, 784 (2014) 49
Minister of Natural Resources *vs*. Heirs of Orval, G.R. No. L-62664, July 17, 2009 140
Mitra *vs*. Commission on Elections, 636 Phil. 753 (2010) 545
Molina *vs*. Somes, 24 Phil. 49, 55 (1913) 540-541
Monana *vs*. MEC Global Shipmanagement and Manning Corporation, 746 Phil. 736, 749 (2014) 36
Moncada *vs*. Judge Cervantes, 529 Phil. 1-8 (2006) 219
Montoya *vs*. Escayo, et al., 171 SCRA 442 322
Montoya *vs*. Varilla, 595 Phil. 507, 519 (2008) 551-552
Municipality of Santiago, Isabela *vs*. Court of Appeals, 205 Phil. 638, 641 (1983) 279, 286
Nacar *vs*. Gallery Frames, 716 Phil. 267, 281-283 (2013) 53, 189, 312, 722, 773
Napoles *vs*. Sandiganbayan, G.R. No. 224162, Nov. 7, 2017 .... 242, 244, 246, 253-254
Naredo *vs*. Yatco, 80 Phil. 220 (1948) 541
Navarro *vs*. Commission on Audit Central Office, G.R. No. 238676, Nov. 19, 2019 250
Neri *vs*. Senate Committee on Accountability, 572 Phil. 554 (2008) 546

Page

Newsounds Broadcasting Network *vs.*
Dy, 602 Phil. 255 (2009) 567
Ngo Te *vs.* Yu-Te, 598 Phil. 666, 669 (2009) 436, 451
Oasis Park Hotel *vs.* Navaluna,
800 Phil. 244 (2016) 634
Ocampo *vs.* Mendoza, 804 Phil. 638 (2017) 547
Occidental Land Transportation Co., Inc. *vs.*
Court of Appeals, 292-A Phil. 269 (1993) 259
Office of the Court Administrator *vs.*
Cabrera-Faller, A.M. No. RTJ-11-2301,
A.M. No. RTJ-11-2302, A.M. No. 12-9-188-RTC,
Jan. 16, 2018, 851 SCRA 207, 308 104
Dumayas, A.M. No. RTJ-15-2435, March 6, 2018 250
Guiling, A.M. No. RTJ-19-2549, June 18, 2019 250
Office of the Ombudsman *vs.* Samaniego,
G.R. No. 175573, Sept. 11, 2008, 564 SCRA 567 175
Orbe *vs.* Filinvest Land, Inc.,
817 Phil. 934, 959-965 (2017) 304-305, 307, 310
Orodio *vs.* Court of Appeals,
247-A Phil. 409, 416 (1988) 395
Overseas Workers Welfare Administration *vs.*
Chavez, 551 Phil. 890 (2007) 547
Pacasum, Sr. *vs.* Zamoranos,
807 Phil. 783-794 (2017) 257
Pacis *vs.* Commission on Elections,
130 Phil. 545 (1968) 544
Pagdanganan *vs.* Court of Appeals,
G.R. No. 202678, Sept. 5, 2018 251
Panagsagan *vs.* Panagsagan,
A.C. No. 7733, Oct. 1, 2019 498
Pang *vs.* Commission on Audit-Legal
Services Sector, G.R. No. 217538,
June 20, 2017 131
Pangan *vs.* Atty. Ramos, 194 Phil. 1 (1981) 505
Pangasinan Transportation Company, Inc. *vs.*
Legaspi, 120 Phil. 1379 (1964) 542
Paras *vs.* Atty. Paras, 397 Phil. 462 (2000) 500
Pascual *vs.* Burgos, et al., 776 Phil. 167 (2016) 25

Page

Peñafrancia Sugar Mill, Inc. *vs.* Sugar
Regulatory Administration,
728 Phil. 535, 540 (2014) 534
People *vs.* ABC, G.R. No. 244835,
Dec. 11, 2019 201
Adriano, 764 Phil. 144 (2015) 749
Adrid, 705 Phil. 654, 670 (2013) 404
Agalot, G.R. No. 220884, Feb. 21, 2018 206
Alberca, 810 Phil. 896, 907-908 (2017) 206
Alcazar, 645 Phil. 181, 191-192 (2010) 745
Alcoreza, 419 Phil. 105 (2001) 772
Alfanta, G.R. No. 125633, Dec. 9, 1999,
378 Phil. 95-122 (1999) 486
Alipio, 618 Phil. 38, 48 (2009) 480
Amaro, 739 Phil. 170, 178 (2014) 748
Ampo, G.R. No. 229938, Feb. 27, 2019 745
Antonio, 596 Phil. 808 (2009) 750
Aquino, 435 Phil. 417, 425 (2002) 768
Arnaiz, 538 Phil. 479, 517 (2006) 480
Bagsic, 822 Phil. 784, 797 (2017) 748
Barut, 178 Phil. 12 (1979) 685
Belmonte, 813 Phil. 240, 246 (2017) 479
Bensig, 437 Phil. 748, 756 (2002) 764
Bernabe, 421 Phil. 805 (2001) 202
Bio, 753 Phil. 730, 736 (2015) 461
Boholst, 236 Phil. 285 (1987) 691, 692
Bulagao, 674 Phil. 535, 544 (2011) 746
Buyagan, 681 Phil. 569 (2012) 685
Cabalquinto, G.R. No. 167693, Sept. 19, 2006 752
Cabalquinto, 533 Phil. 703, 709 (2006) 192, 737, 779
Cabbab, 554 Phil. 459 (2007) 684
Cabilto, 414 Phil. 615 (2001) 686
Cabral, 362 Phil. 697-719 (1999) 260
Cabralan, 682 Phil. 164 (2012) 480
Candelario, 370 Phil. 506 (1999) 483
Caratay, 374 Phil. 590, 601 (1999) 746
CCC, G.R. No. 231925, Nov. 19, 2018 197
Cerbito, 381 Phil. 315 (2000) 692
Cirbeto, G.R. No. 231359, Feb. 7, 2018,

Page

855 SCRA 234, 248 72
Comboy, 782 Phil. 187, 196 (2016) 460
Comiling, 468 Phil. 869 (2004) 685
Concepcion, 691 Phil. 542 (2012) 688
Condes, 659 Phil. 375, 386 (2011) 745, 749
Corpuz, G.R. No. 215320, Feb. 28, 2018,
856 SCRA 610, 623-624 71
Crispo, G.R. No. 230065, March 14, 2018,
859 SCRA 356, 369 .... 461-462, 466
Cuaresma, 254 Phil. 418 (1989) 151
Dadao, 725 Phil. 298, 312 (2014) 765
Dadulla, 657 Phil. 442, 457 (2011) 800
De Dios, G.R. No. 243664, Jan. 22, 2020 461
De Gracia, G.R. No. 213104, July 29, 2015 260
De Guzman, 644 Phil. 229, 243 (2010) 764
De Guzman, G.R. No. 224212, Nov. 27, 2019 768
De Guzman, G.R. No. 234190, Oct. 1, 2018 492
De Jesus, 473 Phil. 405 (2004) 679, 683, 688
De Jesus, 465 Phil. 771 (2004) 683
De Jesus, 473 Phil. 405 (2004) 685
Dela Cruz, 595 Phil. 998 (2008) 685
Dela Cruz, G.R. No. 234151, Dec. 5, 2018 406
Desoy, 371 Phil. 362 (1999) 394-395
Disimban, 88 Phil. 120 685
Doble, 199 Phil. 343 (1982) 687
Domacyong, 463 Phil. 447 (2003) 682, 692
Ejercito, G.R. No. 229861, July 2, 2018,
869 SCRA 353, 366 767
Escobar, 814 Phil. 840, 861 (2017) 252, 258
Espenilla, 718 Phil. 153, 166 (2013) 746
Gamayon, 206 Phil. 560 (1983) 691-692
Gamboa, G.R. No. 233702, June 20, 2018,
867 SCRA 548, 570 462
Garcia, 695 Phil. 579, 588-589 (2012) 748
Gardon, 104 Phil. 371 685
Guiamil, 343 Phil. 454 (1997) 692
Gutierrez (G.R. No. 236304, Nov. 5, 2018 462
Hermocilla, 554 Phil. 189, 194 (2007) 745
Izon, et al., 104 Phil. 690, 698 (1958) 395

Page

Jabiniao, 576 Phil. 696 (2008) 684
Jampas, 610 Phil. 652, 662 (2009) 793, 795
Jugueta, 783 Phil. 806, 843 (2016) 207, 483, 751
Lagata. 83 Phil. 150 (1949) 691
Lago, 411 Phil. 52 (2001) 686
Lara, 535 Phil. 867, 889-890 (2006) 689
Las Piñas, et al., 739 Phil. 502, 526 (2014) 395, 749
Leviste, 325 Phil. 525 (1996) 251
Lim, G.R. No. 231989, Sept. 4, 2018 407
Macasaet, G.R. Nos. 196094, 196720 & 197324,
March 5, 2018 251
Maceda, 405 Phil. 698, 711 (2001) 204
Magsano, 826 Phil. 947, 959 (2018) 461-462
Maguikay, 307 Phil. 605, 620 (1994) 745
Malana, 646 Phil. 290, 308 749
Mamangon, 824 Phil. 731, 736 (2018) 461-462
Manansala, 826 Phil. 578, 586 (2018) 461-462
Manson, 801 Phil. 130-141 (2016) 797
Mat-An, G.R. No. 215720, Feb. 21, 2018,
856 SCRA 282, 295 72
Matibag, 757 Phil. 286, 293 (2015) 461
Mejares, G.R. No. 225735, Jan. 10, 2018 734
Mendoza, 736 Phil. 749, 761 (2014) 463
Miranda, 824 Phil. 1024, 1050 (2018) 461-463
Moreno, G.R. No. 191759, March 2, 2020 203-204
Navasero, Sr., G.R. No. 234240, Feb. 6, 2019 201
Obias, G.R. No. 222187, March 25, 2019 466
Ortiz, 614 Phil. 625 (2009) 484
Pacheco, 632 Phil. 624, 632 (2010) 766
Padilla, G.R. No. 234947, June 19, 2019 683
Palema, G.R. No. 228000, July 10, 2019 682
Pareja, 724 Phil. 759, 777 (2014) 800
Pavia, 750 Phil. 871, 879 (2015) 464, 466
Piñero, G.R. No. 242407, April 1, 2019 462
Piosang, 710 Phil. 519, 526-528 (2013) 733, 748
Presas, 659 Phil. 503, 511 (2011) 731
Quemeggen, 611 Phil. 487, 498 (2009) 687, 694
Ramos, 715 Phil. 193, 206 (2013) 765

Page

Reñola, 367 Phil. 415, 423-424 (1994) 746
Rivera, 458 Phil. 856, 877-878 (2003) 395
Rosas, 233 Phil. 481 (1987) 691-692
Sabadlab, 679 Phil. 425, 438 (2012) 732
Salamuddin No. 1, 52 Phil. 670, 672 (1929) 685-686
Salimbago, 373 Phil. 56, 67 (1999) 690
San Antonio, Jr., 559 Phil. 188, 201 (2007) 745
Sanchez, G.R. No. 231383, March 7, 2018,
858 SCRA 94, 104 461-462
Sandiganbayan, G.R. Nos. 233557-67,
June 19, 2019 250
Sandiganbayan (Second Division),
G.R. No. 232737, Oct. 2, 2019 250
Santos, 532 Phil. 752, 762 (2006) 764
Santos, G.R. No. 243627, Nov. 27, 2019 463
Seguis, G.R. No. 135034, Jan. 18, 2001,
402 Phil. 584-607 (2001) 477, 490
Solar, G.R. No. 225595, Aug. 6, 2019 489
Soria, 698 Phil. 676, 689 (2012) 748
Sorila, 578 Phil. 931 (2008) 685
Sumingwa, 618 Phil. 650, 663 (2009) 746
Tamayo, 434 Phil. 642 (2002) 479
Teodoro, 622 Phil. 328, 337 (2009) 766
Tomawis, G.R. No. 228890, April 18, 2018 406
Tulagan, G.R. No. 227363,
March 12, 2019 .... 748, 796, 801
Tuppal, G.R. Nos. 137982-85, Jan. 13, 2003,
443 Phil. 92-107 (2003) 430, 492
Umipang, 686 Phil. 1024, 1039-1040 (2012) 462
Valdez, 774 Phil. 723, 747 (2015) 771
Vargas, G.R. No. 230356, Sept. 18, 2019 395
Vda. de Quijano, 292-A Phil. 157, 164 (1993) 395
Verchez, 303 Phil. 185 (1994) 692
Vergara, 724 Phil. 702, 709 (2014) 799
Villamin, 625 Phil. 698, 712-713 (2010) 732
Villanueva, 807 Phil. 245, 252 (2017) 71
Viñalon, 434 Phil. 72 (2002) 692
Vitero, 708 Phil. 49, 59 (2013) 767

Page

Vivas, 302 Phil. 260 (1994) 686
XXX, G.R. No. 222492, June 3, 2019 202
XXX, G.R. No. 225793, Aug. 14, 2019 203
XXX, G.R. No. 229836, July 17, 2019 197
XXX, G.R. No. 244047, Dec. 10, 2019 206
Yagao, G.R. No. 216725, Feb. 18, 2019 744
ZZZ, G.R. No. 224584, Sept. 4, 2019 .... 197, 202
Peralta *vs*. People, 817 Phil. 554, 563 (2017) 461
Perez *vs*. Atty. Catindig, et al., 755 Phil. 297 (2015) 499
Perez *vs*. Court of Appeals, 380 Phil. 592, 599 (2000) 711
Philamcare Health Systems, Inc. *vs*.
Court of Appeals, 429 Phil. 82, 89 (2002) 711
Philippine Amusement and Gaming Corporation *vs*.
Bureau of Internal Revenue,
749 Phil. 1010, 1026 (2014) 527
Philippine Auto Components, Inc. *vs*.
Jumadla, 801 Phil. 170, 182-183 (2016) 273
Philippine Banking Corp. *vs.* Dy,
698 Phil. 750, 758 (2012) 222
Philippine International Trading Corporation *vs*.
Commission on Audit, 821 Phil. 144 (2017) 159
Philippine National Bank *vs*. Castalloy,
684 Phil. 438 (2012) 547
Philippine Transmarine Carriers, Inc. *vs.*
Legaspi, 710 Phil. 838, 849-850 (2013) 41
Philippines Inter-Fashion, Inc. *vs.*
National Labor Relations Commission,
203 Phil. 23 (1982) 544
Premier Development Bank *vs.* Central Surety &
Insurance Company, Inc., 598 Phil. 827 (2009) 652
Provincial Bus Operators Association
of the Philippines *vs.* Department of Labor
and Employment, G.R. No. 202275,
July 17, 2018, 872 SCRA 50, 134 .... 558, 609, 616
Prudential Bank *vs*. Rapanot, 803 Phil. 294 (2017) 60
Pryce Corporation *vs.* Philippine Amusement
and Gaming Corporation, 497 Phil. 490 (2005) 544

Page

Quasha Ancheta Pena Nolasco Law Office *vs*.
Court of Appeals, Special Sixth Division,
622 Phil. 738 (2009) 648
Quebral *vs*. Angbus Construction, Inc.,
798 Phil. 179, 187 (2016) 36
Quinsay *vs*. Intermediate Appellate Court,
272-A Phil. 235 (1991) 284
Quintos *vs*. Development Bank of the Philippines,
766 Phil. 601, 643 (2015) 61
Ralla *vs*. Ralla, 132 Phil. 517 (1968) 540
Ramos *vs*. Court of Appeals, 246 Phil. 591 (1988) 547
RCPI *vs*. NTC, 289 Phil. 935 (1992) 559
RCPI *vs*. Santiago, 157 Phil. 484 (1974) 559
Re: Irma Zita V. Masamayor (Resolution),
374 Phil. 556 (1999) 250
Re: Irregularity on the Bundy Cards of Personnel
of the RTC, Br. 26 and MTC Medina Misamis
Oriental, 509 Phil. 580, 591 (2005) 119-120
Re: Problem of Delays in Cases Before the
Sandiganbayan, 422 Phil. 246 (2001) 249
Reburiano *vs*. CA, 361 Phil. 294, 301-302 (1999) 352
Regner *vs*. Logarta, 562 Phil. 862 (2007) 250
Remo *vs*. Bueno, 784 Phil. 344, 385 (2016) 540
Remonte *vs*. Bonto, 123 Phil. 63 (1966) 542
Remulla *vs*. Sandiganbayan,
808 Phil. 739-762 (2017) 251
Repol *vs*. Commission on Elections,
472 Phil. 335 (2004) 549
Republic of the Philippines *vs*. Bayao,
710 Phil. 279, 287 (2013) 6547
C.C. Unson Company, Inc.,
781 Phil. 770, 783 (2016) 28
Court of Appeals, et al, 335 Phil. 664 (1997) 435
Cruz, G.R. No. 236629, July 23, 2018 .... 444, 446
Mega Pacific Esolutions, Inc.,
788 Phil. 160, 188 (2016) 222
Pangasinan, 792 Phil. 808 (2016) 435
Roasa, 752 Phil. 439, 447 (2015) 289
Heirs of Santiago, 808 Phil. 1 (2017) 185

Page

Revilla, Jr. *vs*. Sandiganbayan (First Division),
G.R. Nos. 218232, 218235, 218266, 218903 &
219162, July 24, 2018 249
Reyes *vs*. Court of Appeals,
686 Phil. 137, 148 (2012) 403
Lim, 456 Phil. 1, 12 (2003) 544
Hon. Ombudsman, 783 Phil. 304 (2016) 237
Tang Soat Ing, 678 Phil. 806, 824 (2011) 226
Rimando *vs*. People, 821 Phil. 1086, 1098 (2017) 394
Riviera Golf Club, Inc. *vs*. CCA Holdings, B.V.,
G.R. No. 173783, June 17, 2015 173
Rodriguez *vs*. Park N Ride, Inc.,
807 Phil. 747, 757 (2017) 186
Rodulfa *vs*. Alfonso, 76 Phil. 225,
231-232 (1946) 539, 547
Sabili *vs*. Commission on Elections,
686 Phil. 649 (2012) 545
Salcedo *vs*. People, 400 Phil. 1302, 1308-1309 (2000) 49
Samonte *vs*. Roden, 818 Phil. 289, 295 (2017) 100
Samson *vs*. Bank of the Philippine Islands,
453 Phil. 577 (2003) 543
Sanchez *vs*. Tupaz, 158 SCRA 459 322
Santos *vs*. Court of Appeals, 275 Phil. 894 (1991) 319
Court of Appeals, 310 Phil. 21 (1995) 434
National Labor Relations Commission,
238 Phil. 161 (1987) 544
People, 443 Phil. 618 (2003) 750
Selegna Management and Development Corp. *vs*.
United Coconut Planters Bank,
522 Phil. 671 (2006) 652
Serrano *vs*. CA, et al., 215 Phil. 292 (1984) 6, 9
Siy *vs*. Court of Appeals, 223 Phil. 136 (1985) 647
Sonley *vs*. Anchor Savings Bank/Equicom
Savings Bank, 792 Phil. 738 (2016) 337
Spouses Aboitiz *vs*. Sps. Po, 810 Phil. 123, 148 (2017) 226
Spouses Antonio *vs*. Sayman, G.R. No. 149624,
Sept. 29, 2010 174
Spouses de la Serna *vs*. Court of Appeals,
303 Phil. 333 (1994) 542-543

Page

Spouses Imbong *vs.* Ochoa, 732 Phil. 1 (2014) 547
Spouses Miano *vs.* Manila Electric Company,
800 Phil. 118, 119 (2016) 419
Spouses Noceda *vs.* Arbizo-Directo,
639 Phil. 483-494 (2010) 256
Spouses Ong, et al. *vs.* BPI Family Savings Bank, Inc.,
824 Phil. 439, 446 (2018) 8
Spouses Pamplona *vs.* Spouses Cueto,
G.R. No. 204735, Feb. 19, 2018, 856 SCRA 33 668
Spouses Ruiz *vs.* Sheriff of Manila,
145 Phil. 111 (1970) 653
Spouses Salgado *vs.* Anson, 791 Phil. 481 (2016) 499
Spouses Santos *vs.* Sps. Lumbao,
548 Phil. 332, 345-346 (2007) 319
Spouses Sustento *vs.* Lilagan,
782 Phil. 270 (2016) 249
St. James College of Parañaque *vs.*
Equitable PCI Bank, 641 Phil. 452, 466 (2010) 550
Sta. Fe Realty, Inc. *vs.* Sison,
794 Phil. 180, 193 (2016) 220
Strategic Alliance Development Corporation *vs.*
Radstock Securities, Ltd., 622 Phil. 431 (2009)................. 546
Sumail *vs.* Court of First Instance of Cotabato,
96 Phil. 946 (1955).. 288
Sumbad *vs.* Court of Appeals,
368 Phil. 52, 66 (1999)... 670
Symex Security Services, Inc. *vs.*
Rivera, Jr., G.R. No. 202613, Nov. 8, 2017,
844 SCRA 416, 436 189
Sze *vs.* Bureau of Internal Revenue,
G.R. No. 210238, Jan. 6, 2020 534
Taar *vs.* Lawan, G.R. No. 190922,
Oct. 11, 2017, 842 SCRA 365, 392 288
Talaroc *vs.* Arpaphil Shipping Corporation,
817 Phil. 598, 611 (2017) 38
Tancuntian *vs.* Gempesaw, 483 Phil. 459 (2004) 663
Tani-De La Fuente *vs.* De La Fuente,
807 Phil. 31 (2017).. 441

Page

Tatad *vs*. Secretary of Energy,
346 Phil. 1, 321 (1997) 546
Tecson *vs*. Sandiganbayan,
376 Phil. 191-204 (1999) 257
The Coca-Cola Export Corp. *vs*. Gacayan,
653 Phil. 45, 66 (2011) 271
The Diocese of Bacolod *vs*. Commission
on Elections, 751 Phil. 301 (2015) 152
Timbol *vs*. Commission of Elections,
754 Phil. 578 (2015) 616
Toledo *vs*. Toledo, 117 Phil. 768 (1963) 500
Tolentino *vs*. Secretary of Finance,
G.R. No. 115455, Aug. 25, 1994,
235 SCRA 630, 663 532
Torillo *vs*. Leogard, 274 Phil. 758 (1991) 544
Trinidad *vs*. Office of the Ombudsman,
564 Phil. 382-396 (2007) 257
Trinidad *vs*. People, G.R. No. 239957,
Feb. 18, 2019 460
Tucay *vs*. Atty. Tucay, 376 Phil. 336 (1999) 498-499
Unduran *vs*. Aberasturi,
771 Phil. 536, 562 (2015) 150, 155, 157-158, 162
Union of Supervisors (RB) Natu *vs.*
Secretary of Labor 213 Phil. 398 (1984) 544
University of the Immaculate Conception *vs.*
Office of the Secretary of Labor and Employment,
769 Phil. 630, 654 (2015) 271, 273
Ursal *vs*. Court of Appeals,
509 Phil. 628, 642 (2005) 63
Ursua *vs*. Court of Appeals,
326 Phil. 157, 168 (1996) 771
Uy *vs*. Judge Contreras, 307 Phil. 176 (1994) 323
Valdez *vs*. Atty. Dabon, 773 Phil. 109, 121 (2015) 498
Valenzuela *vs*. People, 552 Phil. 381, 397 (2007) 733
Valmonte *vs*. Belmonte,
252 Phil. 264, 270-271 (1989) 572
Vergara *vs*. Hammonia Maritime Services, Inc.,
588 Phil. 895, 911-912 (2008) 38
Verzosa *vs*. Court of Appeals, 359 Phil. 425 (1998) 539

Page

Villa *vs*. Fernandez, G.R. No. 219548,
Oct. 17, 2018 250
Villanueva *vs*. Pelayo, 110 Phil. 602 (1960) 541
Villasanta *vs*. Peralta, 101 Phil. 313 (1957) 498
Villatuya *vs.* Atty. Tabalingcos, 690 Phil. 381 (2012) 499
Wee *vs*. Mardo, 735 Phil. 420, 434 (2014) 219
Wuerth Philippines, Inc. *vs.* Ynson,
682 Phil. 143, 158 (2012) 271
YSS Employees Union *vs*. YSS Laboratories, Inc.,
622 Phil. 201 (2009) 545
Yukit vs. Tritran, Inc., 800 Phil. 210, 222 (2016) 648
Zabat, Jr. *vs.* CA, 226 Phil. 489 (1986) 359
Zaguirre *vs*. Atty. Castillo, 446 Phil. 861 (2003) 500
Zaldivar *vs*. Sandiganbayan, 221 SCRA 132,
April 7, 1993 501
Zamora *vs.* Quinan, G.R. No. 216139,
Dec. 29, 2017, 847 SCRA 251, 264-265 635

I. FOREIGN CASES

Fredericks *vs.* Huber, 180 Pa., 572; 37 Atl., 90 539
People *vs*. Supervisors of Chautauqua,
43 NY 10 1870 531

REFERENCES

I. LOCAL AUTHORITIES

A. CONSTITUTION

1987 Constitution
Art. II, Secs. 9, 18 608
Art. III, Sec. 1 .... 131, 551
Art. VI, Sec. 24 531
Sec. 30 366
Art. VIII, Sec. 1 616
Art. XII, Sec. 11 .... 527, 568
Sec. 17 608
Art. XV, Sec. 2 452

Page

B. STATUTES

Act
No. 926 290
No. 2874 .... 285, 290
Sec. 45(b) 286
Secs. 47-49 286
No. 3135 640
No. 3815 734
Chapter 5, Title 3, Book 1 734
No. 3846, Sec. 1 .... 527-528, 554, 558, 560
No. 4103 694
Administrative Code of 1987
Sec. 33, Chapter 5 (B)(1) 126, 129
Administrative Matter
No. 2-8-13-SC, Rule II, Sec. 1 305
No. 03-06-13-SC 101
No. 04-10-11-SC 779
Sec. 40 737
No. 12-7-15-SC 471
No. 15-06-10-SC, Sec. 10(a) 248
No. 15-08-02-SC 482, 485, 751
No. 19-10-20-SC 119, 351
Civil Code, New
Art. 4 159
Art. 8 .... 160, 647-648
Art. 1169 723
Art. 1191 299
Art. 1306 40
Art. 1482 298
Art. 1592 544
Art. 1868 714
Art. 2040 355
Art. 2041 337
Art. 2208 .... 384, 721-722
Art. 2232 721
Code of Conduct for Court Personnel
Canon III, Sec. 5 100-101
Canon IV, Sec. 1 103

Page

Sec. 3 102
Code of Professional Responsibility
Canon 1, Rule 1.01 .... 497, 501
Canon 7, Rule 7.03 .... 497-498, 501
Commonwealth Act
C.A. No. 141 .... 287, 290
Sec. 11 288
Sec. 44 288-289
Sec. 101 665
C.A. No. 146 553
Sec. 16(m)(n) 553
C.A. No. 365 (1938) 554
C.A. No. 571 (1940) 554
Executive Order
E.O. No. 546 .... 528, 560
Family Code
Art. 36 .... 430-431, 434-435, 451
Art. 68 .... 443, 446
Arts. 69, 71 446
Art. 70 .... 443, 446-447
Art. 220 446-447
Indigenous People Rights Act (IPRA)
Sec. 52(h) 157
Sec. 52(i) 143
Secs. 53-54, 62 158
Sec. 66 .... 155, 157, 162
Sec. 67 149-150
Sec. 69 145
Insurance Code
Sec. 2(a) 710
Labor Code
Art. 198(c) 38
Art. 226 322
Art. 294 188
Art. 297 270-271
Arts. 298-299 188
Art. 1702 52
National Internal Revenue Code
Sec. 228 420

Page

Penal Code, Revised
Art. 63 481
Art. 171 (6) 169, 171
Art. 248 .... 67, 71, 391
Art. 266-A 196, 471, 476, 491, 739
par. 1(d) 192
par. 2 798
Art. 266-B 196-197, 739, 744
Art. 294 .... 477, 682-683
par. 1 .... 471, 475, 479, 481, 484
par. 5 694
Art. 296 686-687
Art. 308 .... 730, 733
Art. 309 .... 727, 730, 734
Presidential Decree
P.D. No. 1 (1972) 559
P.D. No. 17, Sec. 23 12
P.D. No. 576-A, Sec. 1 560
Sec. 6 .... 528, 560
P.D. No. 1177, Sec. 49 128
P.D. No. 1275, Sec. 1 463
P.D. No. 1445, Sec. 38 129
Sec. 48 126
P.D. No. 1508 323
P.D. No. 1529 169-171
P.D. No. 1602 457
P.D. No. 1606, Sec. 6 245
Proclamation
No. 247 .... 278, 281, 284, 287-288
No. 427 .... 278, 281, 284
Public Service Act
Sec. 13(a) 559
Republic Act
R.A. No. 584 (1950) 554
R.A. No. 782 289
R.A. No. 2677 559
R.A. No. 3019, Sec. 3(a)(e) 166, 169, 171-173
Sec. 3 (e) 166,169, 171-173, 237
R.A. No. 6425, Sec. 27 465

Page

R.A. No. 6552 .... 296, 298-301, 303, 310
Sec. 3 311
Sec. 4 .... 301-304, 312
Sec. 6 310-311
Sec. 7 303
R.A. No. 6657, Secs. 46-47 322
Sec. 55 146
R.A. No. 6770, Sec. 27 365-366
R.A. No. 6975 689
Sec. 24 689
R.A. No. 7160 .... 320, 471
Sec. 162 .... 307, 320
Secs. 399-342, Chapter VII, Title I, Book III 321
Secs. 409, 412 320
R.A. No. 7252 566
R.A. No. 7610 .... 192, 759
Sec. 5(b) 795, 801-802
Sec. 10(a) 785
R.A. No. 7659 .... 475, 479
R.A. No. 7942 339
Sec. 77 339
R.A. No. 7966 .... 511-516, 521, 530, 533
Sec. 1 565
R.A. No. 8042, Sec. 37-A 45, 47
R.A. No. 8180 546
R.A. No. 8353 .... 192, 785, 802
par. 1 (d) 765
R.A. No. 8371, Sec. 52(i) 148, 154
Sec. 56 140
R.A. No. 8505 759
R.A. No. 8975 .... 15, 17-18
Sec. 3(a) 17
R.A. No. 9160, as amended by R.A. No. 9194 22
R.A. No. 9165 .... 404, 462
Sec. 5, Art. II 398-399, 401
Sec. 11 .... 398, 401, 456, 459, 464
Sec. 13 .... 457, 459-460, 466
Sec. 21 .... 402-405, 408, 461
Sec. 21(1) 463

Page

R.A. No. 9208 759
R.A. No. 9262 .... 737, 759
R.A. No. 9344 759
R.A. No. 9346 .... 207, 482, 751
R.A. No. 9552, Sec. 4 308
R.A. No. 9679, Secs. 2-3 9
R.A. No. 10022 45
R.A. No. 10066, Sec. 5(f) 13
Sec. 25, Art. VII 18
R.A. No. 10640 .... 404, 462-463
R.A. No. 10925 566
R.A. No. 10951, Sec. 81 733-734
R.A. No. 11313 488
R.A. No. 11362 .... 734, 736
Sec. 3 735
Rules of Court, Revised
Rule 3, Sec. 2 224
Sec. 11 537
Rule 7, Sec. 5 626
Rule 16. Sec 1(j) 322
Rule 17, Sec. 3 22
Rule 37, Sec. 1 646
Sec. 3 647
Rule 39 .... 337, 340
Sec. 47(b)(c) 173, 256
Rule 43 .... 149-150, 278, 283, 364
Rule 45 .... 2, 20, 24-25, 34
Sec. 1 .... 49, 419
Sec. 6 419
Rule 58, Sec. 3 549
Rule 64 129
Rule 65 .... 11, 33, 129, 183, 235
Sec. 1 150
Rule 71, Sec. 3 119
Rule 110, Sec. 8 800
Sec. 11 793
Rule 122, Sec. 3(e) 393
Rule 124, Sec. 13(c) 393

Page

Rule 130, Sec. 36 423
Sec. 44 499
Rule 131, Sec. 3(v) 422
Rule 138, Sec. 27 498
Rules on Civil Procedure, 1997
Rule 15, Sec. 8 351
Sec. 9 351
Rule 45 431
Rules on Criminal Procedure (2000)
Rule 110, Sec. 8 .... 489-490, 768
Sec. 9 768
Rule 120, Sec. 2 491
Rules on Evidence, Revised
Rule 128, Sec. 4 770
Rule 132, Sec. 23 770
2004 Rules on Notarial Practice
Rule II, Sec. 6 305-306

C. OTHERS

Amended Rules on Employee's Compensation
Rule VII, Sec. 2 (b) 38
COA Circular
No. 2009-006 .... 125, 129
Sec. 10.2 130
Sec. 12.1 127-129
National Commission on Indigenous Peoples (NCIP)
Administrative Order No. 01-98
Rule IX, Sec. 3 149
2011 NLRC Rules of Procedure
Rule XI, Sec. 14 41
NTC RULES (2006)
Rule 10, Sec. 4 553
Sec. 5 553-554
Office of Court Administrator (OCA) Circular
42-19 (2019) 114
89-12 (2012) 114

Page

Omnibus Rules and Regulations Implementing
R.A. No. 8042
Rule XVI, Sec. 1(b) 52
POEA Rules and Regulations Governing the Recruitment
and Employment of Land-based Overseas Workers
No. 14, Rule II 48
2010 POEA-SEC
Sec. 20 (A) 35, 378
Sec. 32 .... 35, 375
Sec. 32-A 35, 379-380
Revised Philippine National Police Operational
Procedures (2013)
Rule 7.1 690
Rules of Procedure of the Ombudsman
Rule III, Sec. 7 .... 364-365, 367
Rules of the House of Representatives
Sec. 49 532
Rules of the Senate
Sec. 16 531
2017 Rules on Administrative Cases in the Civil Service
Rule 10, Sec. 50 108
Supreme Court Administrative Circular
No. 28-08 114-118
Sec. 8 118

D. BOOKS
(Local)

Florenz D. Regalado, I Remedial Law Compendium 651
(6th Revised Ed., 1997) 548
IV Tolentino, The Civil Code of the Philippines,
p. 175 (1999) 8

Page

II. FOREIGN AUTHORITIES

BOOKS

Black's Law Dictionary, Eighth Edition (2004) 306
Bouvier's Law Dictionary and Concise Encyclopedia,
Volume II, Third Revision (1914) 306
2 Cuello Calon, Derecho Penal,
1975 14th Ed. p. 872 685