

Title: Alegar Corporation vs. The Honorable Court of Appeals, Venancio Juanerio and Severa Rontos

Facts:

The case centers around a dispute over land ownership. Plaintiffs, Venancio Juanerio and Severa Rontos, had initially sued Alegar Corporation claiming ownership of land that was declared in favor of Alegar Corporation by the Manila Court of First Instance on December 3, 1964 (Civil Case No. 39380). The decision, which plaintiffs appealed, was dismissed on August 20, 1965. A second case filed by the same plaintiffs against Alegar Corporation was dismissed as *res judicata* on November 26, 1966, by the same court.

Venancio Juanerio and Severa Rontos appealed the dismissal, but their appeal was dismissed by the Court of Appeals on December 20, 1966 due to their failure to file the printed record on appeal within the reglementary period. Upon learning of Venancio Juanerio's death after the fact, their counsel filed an urgent motion for reconsideration, which was denied. Counsel further moved for reconsideration, contending that Venancio's death terminated his representation, but misrepresented the date of death. The appellate court reinstated the appeal, but this act was later contested by Alegar Corporation, alleging misrepresentation and fabrication by respondents' counsel regarding the date of Venancio's death. Petitioner's contention was proven correct as Venancio died on January 3, 1967, and not around the latter part of September, 1967 as stated by respondents' counsel in their motion.

Issues:

1. Whether the appellate court committed grave abuse of discretion when it reinstated the dismissed appeal of the plaintiffs.
2. Whether the misrepresentations of fact by the plaintiffs' counsel warrant the setting aside of the appellate court's resolution reinstating the appeal.
3. Whether Venancio's death terminated counsel's authority to represent him, thus preventing *res judicata* from applying.

Court's Decision:

The Supreme Court found that the misrepresentations made by respondents' counsel regarding the death date of Venancio Juanerio influenced the appellate court's decision to reinstate the appeal. Such misrepresentations constituted gross negligence on the part of the counsel, warranting the setting aside of the appellate court's reinstatement order. The Court also recognized that the death of Venancio did not terminate the representation by

the counsel since the heirs or the estate remained represented throughout the proceedings. Therefore, the Supreme Court concluded that the appellate court's order reinstating the appeal was issued with grave abuse of discretion amounting to excess of jurisdiction. Consequently, the Supreme Court granted the writ of certiorari, set aside the appellate court's reinstatement resolution, and made the preliminary injunction issued by the Court permanent.

Doctrine:

The doctrine of res judicata bars the re-litigation of issues that have been finally adjudicated by competent courts. Misrepresentation of material facts by counsel can lead to the setting aside of appellate court orders if such misrepresentations have influenced the court's decision. Furthermore, the death of a party does not necessarily terminate legal representation, as the estate or heirs may still be represented through proper substitution in legal proceedings.

Class Notes:

- Res judicata serves as a bar to subsequent actions involving the same parties, subject matter, and cause of action where there has been a final judgment.
- A party's misrepresentation of a material fact can be grounds for reversing a court's decision.
- An attorney's continued representation of a deceased client without proper substitution by the deceased client's heirs or estate can result in legal proceedings being deemed invalid.
- Death certificate is an important documentary evidence to establish key dates such as the date of death and can be critical in legal arguments.

Historical Background:

This case reflects the strict adherence of Philippine courts to the principles of finality of judgment and legal procedure surrounding representation in case of a party's death. It underscores the judicial system's intolerance for any form of misrepresentation or misconduct by legal representatives, a stance necessary to maintain the integrity of legal processes. The decision affirms the implementation of proper substitution of parties upon a party's death and the sanctity of final judgments in preventing duplicative litigation.