

Title: Spouses Gregorio Go and Juana Tan Go v. Johnson Y. Tong, et al.

Facts: On September 13, 1996, petitioner Juana Tan Go purchased a cashier's check from the Far East Bank and Trust Company (FEBTC), payable to Johnson Y. Tong, the private respondent. The check was marked with the words "Final Payment/Quitclaim," which were later erased, leading the bank to dishonor it upon deposit. This arose from the parties' earlier agreement to dissolve their informal business partnership. When private respondent's attempt to have the check replaced was refused by the bank, he filed a complaint against the bank and petitioners Juana and her husband Gregorio Go at the Manila RTC for sum of money, damages, and attorney's fees.

The petitioners claimed that the erasure was intentional, indicating private respondent's unwillingness to abide by the dissolution terms. Concurrently, during the case's pendency, petitioners' son filed a criminal complaint against the private respondent for falsification, which was dismissed by the Manila Prosecutor's Office.

On July 17, 1998, private respondent sought to file a Supplemental Complaint to increase the amount of moral and exemplary damages and sought actual damages due to the alleged use of petitioners' son to file a falsification complaint against him. The RTC eventually admitted the Supplemental Complaint even though the docket fees for the substantially increased monetary claims were not initially paid. This led to a series of motions, including one for the payment of these fees in staggered amounts, which was permitted by the trial court.

Throughout, petitioners opposed the various orders that allowed the supplementation of the complaint and the staggered payment of the docket fees, culminating in a petition for certiorari to the Court of Appeals, where they were unsuccessful. Hence the petition to the Supreme Court, arguing that the CA and RTC orders were gravely abusive.

Issues:

1. Was the petitioners' mode of legal recourse (Section 1, Rule 65, Revised Rules of Court) appropriate?
2. Did RTC Judge Juan Nabong of Branch 32, Manila, commit grave abuse of discretion in releasing the deposited amount of PHP 500,000.00 to the private respondent?
3. Was there grave abuse of discretion on the part of the RTC in allowing staggered payment of docket fees for the Supplemental Complaint?
4. Should the trial judge have inhibited himself and suspended proceedings pending the

appeal to the CA?

Court's Decision:

The Supreme Court held that the petition bears no merit. On the preliminary issue, the Court clarified that the proper recourse was a petition for review on certiorari under Rule 45 of the Revised Rules of Court, not a special civil action under Rule 65. Nonetheless, on substantive grounds, the Court dismissed the petition, upholding the CA's decisions.

1. In releasing the PHP 500,000.00 deposit to private respondent, the trial judge did not commit grave abuse of discretion as:

- The release was consistent with the understanding between the parties.
- Petitioners failed to promptly question the order allowing the release.

2. The adoption of staggered payment for the docket fees did not constitute grave abuse of discretion since the payment scheme allowed for a reasonable time for fulfillment that fell within the prescriptive period of the action.

3. There was no basis for mandating the trial judge's inhibition, nor for suspending the proceedings as these issues were not raised before the CA.

Doctrine: As a general rule, docket fees must be paid upon the filing of the initial pleadings. However, the trial court may, at its discretion and for cogent reasons, allow staggered payment of docket fees within a reasonable period, so long as this does not extend beyond the prescriptive or reglementary period of the action.

Class Notes:

- Docket fees are jurisdictional requirements; their nonpayment at the time of filing does not automatically dismiss the case as long as they are paid within a reasonable time before prescription or regulation.
- The Supreme Court has discretionary power to overlook procedural technicalities in the interest of substantial justice.
- Grave abuse of discretion is demonstrated when judicial action is capricious, whimsical, arbitrary, or despotic.

Historical Background: The context of this legal dispute revolves around the obligations arising from a dissolved informal business partnership, judicial discretions in dealing with court fees, and the procedural dynamics related to jurisdictional issues and the Philippine legal system's handling of such matters. This case illustrates the interplay between

substantive and procedural law, as well as the judiciary's emphasis on fairness and adherence to legal principles amidst evolving jurisprudential standards.