

****Title:**** Philippine Long Distance Telephone Company vs. Minerva C. Genovea, et al.,
Supreme Court of the Philippines, G.R. No. L-62637, December 9, 2014

****Facts:****

The Better Buildings, Inc. (BBI) had been providing Philippine Long Distance Telephone Company (PLDT) with janitorial services for over ten years. In 1977, BBI requested a rate adjustment due to increased costs from compliance with the Labor Code. PLDT agreed to a reduced rate of P550 per janitor instead of the requested P595. BBI claimed a total due of P315,906.03 under this adjusted rate but alleged PLDT paid only P103,281.25, leaving an unpaid balance of P212,624.78.

BBI filed a complaint in the Court of First Instance of Rizal, Branch XIII (CC No. 39943), seeking the unpaid balance along with P29,038.25 for regular billings and P7,400 for special jobs, plus attorney's fees. PLDT denied any liability, stating it had fully paid according to the agreed rate and questioned the validity of the invoices.

During pre-trial, the respondent Judge noted the only remaining issue was payment. BBI's documentary evidence was admitted over PLDT's objections, and after multiple postponements, PLDT was considered to have waived its right to present evidence. The court decided in favor of BBI, awarding the claimed amounts plus interest and costs.

PLDT's subsequent Motion for New Trial/Reconsideration was denied. BBI then sought and obtained an order for immediate execution, arguing PLDT intended to delay proceedings. A Writ of Execution was issued, and PLDT filed the instant petition challenging the execution order and writ.

****Issues:****

1. Whether the issuance of immediate execution pending appeal by the lower court was done with grave abuse of discretion.
2. Whether the approval of BBI's Bill of Costs ex-parte was proper.
3. Whether PLDT was deprived of its right to present evidence and thereby denied due process.

****Court's Decision:****

1. ****Execution Pending Appeal:**** The Supreme Court nullified the execution pending appeal. The "good reasons" required under the law for such execution were absent. The lower court's rationale of "delay" was insufficient, and its conclusion that BBI advanced sums to janitors did not constitute a sufficient special reason.

2. **Bill of Costs:** The approval of BBI's Bill of Costs was invalid as it did not adhere to the rules stipulating that these expenses should be taxed by the Clerk of Court, not directly by the Judge, pending an appeal. The items listed were inaccurate, including attorney's fees and an incorrect interest rate of 21%, which was not the legal rate.

3. **Denial of Evidence Presentation:** The Supreme Court found it improper that PLDT was not allowed to present its evidence. Despite prior postponements attributed to PLDT, a reasonable continuance should have been granted in the interest of justice. The case necessitated reopening to ensure substantial justice and an opportunity for PLDT to present its defense.

Doctrine:

- **Execution Pending Appeal:** Execution pending appeal must be based on "good reasons", not merely an assumption of delay tactics by the appellant.
- **Bill of Costs:** Must adhere to Rule 142 of the Rules of Court, requiring taxation by the Clerk of Court and restricting items to actual litigation expenses, excluding awards such as attorney's fees unless explicitly allowed.
- **Due Process in Trial:** Parties must be allowed a reasonable opportunity to present their evidence. Failure to do so amounts to a denial of due process.

Class Notes:

- **Execution Pending Appeal:** Requires explicit "good reasons", per Section 2, Rule 39, Revised Rules of Court.
- **Costs of Litigation:** Governed by Section 10, Rule 142, limiting recoverable costs to essential litigation expenses.
- **Attorney's Fees:** Not typically included in costs unless specified by civil law rules (Section 6, Rule 142).
- **Due Process:** The fundamental right to present evidence in one's defense is crucial in litigation and procedural fairness.

Historical Background:

The case reflects ongoing judicial efforts in the Philippines to balance expeditious litigation with the protection of due process rights. It illustrates the judiciary's role in closely scrutinizing lower court actions that may circumvent procedural safeguards, ensuring fairness, and adherence to established rules. The decision underscores the importance of judicial discretion being exercised within recognized legal parameters to prevent miscarriages of justice.

The case is significant in demonstrating the meticulous standards applied by the Supreme Court in scrutinizing lower court decisions for adherence to procedural and substantive legal principles, aiming to maintain a fair and impartial justice system.