

Title: Eduardo N. Riguer vs. Atty. Edralin S. Mateo

Facts:

1. **2002 Engagement**: Eduardo N. Riguer (Petitioner) engaged Atty. Edralin S. Mateo (Respondent) to represent him in civil and criminal cases involving a parcel of land covered by TCT No. 12112.
2. **Initial Payments**: Riguer paid Mateo the acceptance fee, appearance fee, and pleading fees as agreed.
3. **2007 Trial Court Decision**: The RTC rendered a judgment favorable to Riguer.
4. **Kasunduan Agreement**: During the appeal, Mateo had Riguer sign a “Kasunduan” agreeing to pay:
 - ₱30,000 for expenses in the civil case
 - ₱50,000 for a favorable civil case decision
 - ₱250,000 upon selling the land covered by TCT No. 12112.
5. **2009 Appeal Decision**: The appeal was decided in Riguer’s favor, prompting Mateo to demand payment.
6. **Riguer’s Refusal**: Riguer refused to pay, leading Mateo to file a Complaint for Collection of Attorney’s Fees in 2011 before the MTCC.

Procedural Posture:

1. **MTCC Ruling**: July 26, 2013 - MTCC ruled in favor of Mateo, ordering Riguer to pay ₱250,000 with 6% interest and ₱5,494.50 as costs.
2. **RTC Appeal**: Riguer appealed to the RTC, which affirmed the MTCC’s judgment on June 2, 2014.
3. **CA Appeal**: Riguer appealed before the CA, which upheld the RTC’s decision on April 13, 2015.
4. **Motions for Reconsideration**: Riguer’s first motion was denied by the CA as it was deemed filed out of time. His second motion was also denied as prohibited by court rules.
5. **Petition for Review**: Riguer filed a petition for review on certiorari before the Supreme Court.

Issues:

1. **Timeliness of Motion for Reconsideration**: Whether Riguer’s motion for reconsideration of the CA decision was timely filed.
2. **Entitlement to Attorney’s Fees**: Whether Mateo is entitled to recover ₱250,000 in attorney’s fees pursuant to the Kasunduan.

Court's Decision:

1. **Timeliness of Motion**:

- **Court's Findings**: The Supreme Court affirmed that the motion was filed out of time as the notice of the decision was properly served on May 15, 2015, and not May 18, 2015.
- **Relaxation of Procedural Rules**: Despite procedural lapses, the Court relaxed the rules for substantial justice, addressing whether an unconscionable attorney's fee was applicable.

2. **Entitlement to Attorney's Fees**:

- **Validity of Kasunduan**: The Court found insufficient evidence to prove that Riguer was deceived into signing the Kasunduan. The signed contract was therefore considered binding.
- **Unconscionability of Fees**: The Court ruled that the ₱250,000 was unconscionable and reduced the attorney's fees to ₱100,000. The factors considered included the disproportionate amount relative to the value of the services and Riguer's socioeconomic status.

Doctrine:

- **Reduction of Unconscionable Fees**: The Supreme Court can reduce agreed attorney's fees if found unconscionable.
- **Relaxation of Procedural Rules**: Procedural rules may be relaxed in the interest of substantial justice and to avoid manifestly unjust outcomes.

Class Notes:

- **Quantum Meruit**: The principle wherein reasonable attorney's fees are determined proportionately to the work done, regardless of the client-lawyer agreement.
- **Section 24, Rule 138 of the Rules of Court**: Governs the compensation of attorneys and allows courts to adjust unreasonable or unconscionable fees.
- **Factors for Reasonableness**: Include the importance of the subject matter, the responsibility involved, the results secured, and the client's financial capacity.
- **Service of Judgments (Rule 13, Rules of Court)**: Judgments may be served personally or via registered mail, and procedural timelines begin from the date of receipt.

Historical Background:

This case emerged from a broader historical context of legal ethics and representation in the Philippines. It underscores the judiciary's role in balancing contractual agreements with fairness and equity, particularly where significant socioeconomic disparities are involved. It also reflects ongoing issues in attorney-client relationships and the mechanism of the courts

to address potential abuses in legal fee contracts. The ruling serves to protect clients from exorbitant legal fees that could act as financial penalties rather than fair compensation for work performed by lawyers.