

****Title:****

Antonio Navarro and Grahmms, Inc. vs. Metropolitan Bank & Trust Company

****Facts:****

On November 3, 1994, Metropolitan Bank and Trust Company (MBTC) filed a petition with the Regional Trial Court (RTC) of Makati City for judicial foreclosure against Antonio Navarro and Grahmms, Inc., related to a real estate mortgage. The case was docketed as Civil Case No. 94-2913 and assigned to Branch 150.

1. ****Initial Trial Court Proceedings:****

- The RTC proceeded with the case, eventually issuing a decision on January 16, 1998, favoring MBTC and allowing foreclosure of the properties covered by TCT Nos. 155256, 155257, and 155258. The decision included a directive to sell the properties at a public auction and use proceeds for the payment of a loan, plus interest, penalties, and attorney's fees.

2. ****Post-Judgment Actions:****

- The petitioners, upon receiving the decision on February 10, 1998, filed a Motion for Reconsideration on February 18, 1998, which was denied by the RTC on March 25, 1998.
- The petitioners received a copy of the denial order on April 7, 1998.

3. ****Appeal Process:****

- On April 14, 1998, the last day of the reglementary period, the petitioners filed a Notice of Appeal but did not pay the requisite docket and other lawful fees.
- MBTC responded on April 21, 1998, filing a Motion to Deny Due Course to Notice of Appeal and Motion for Execution, arguing the appeal was not perfected due to non-payment of fees.
- On May 27, 1998, the RTC upheld that the notice of appeal was timely filed but denied it due to the non-payment of docket fees, and granted MBTC's motion for execution.
- The RTC issued the writ of execution on June 2, 1998.

4. ****Petitioners' Subsequent Actions:****

- Petitioners' counsel attempted to pay docket fees on June 9, 1998, but the payment was refused, as stated in a June 11, 1998 letter, and acknowledged by the court in a June 19, 1998 response.

5. ****Appeal to Court of Appeals:****

- The petitioners filed a petition for certiorari with the Court of Appeals (CA), alleging grave abuse of discretion by the RTC.
- The CA dismissed the petitioners' appeal on September 30, 1998, and their motion for reconsideration was denied on March 29, 1999.

****Issues:****

1. Whether the RTC denied the appeal for lack of jurisdiction due to an improper filing of notice of appeal without payment of docket fees.
2. Whether the RTC prematurely executed the judgment by issuing a writ of execution.
3. Whether the CA erred in dismissing the third-party complaint against the allegedly fraudulent branch manager.
4. Whether the judgment improperly bound conjugal property for an alleged debt of one spouse.

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

1. ****Denial of Appeal:****

- The Supreme Court ruled that timely payment of docket fees is mandatory for the perfection of an appeal. Failure to pay means the appellate court does not acquire jurisdiction and the lower court's decision becomes final.
- The Court confirmed that timely filing of notice of appeal, without the accompanying docket fees payment, does not perfect the appeal. The appeal was therefore rightfully denied.

2. ****Writ of Execution:****

- The Court rejected the claim of premature execution, asserting the RTC maintained jurisdiction as no valid appeal had been perfected. The execution order was appropriate following the denial of a valid appeal.

3. ****Third-Party Complaint:****

- The Court did not deliberate deeply on this issue, as it was secondary to the fundamental appeal procedural lapses.

4. ****Conjugal Property Issue:****

- Personal procedural lapses led to the moot point on the conjugal property matter, since procedural due processes were already compromised.

****Doctrine:****

- ****Rule 41, Sec. 4 of the Rules of Court:**** Emphasizes on mandatory payment of docket fees within the reglementary period for perfection of an appeal.
- ****Alfonso v. Andres (2002):**** Outlines the necessity for strict compliance with procedural rules for appeal perfection.
- ****Discretion on Late Payments:**** Courts possess discretion to allow late payments of docket fees under extenuating, justified circumstances.

****Class Notes:****

- ****Procedural Rules for Appeal:****
- ****Timely Filing:**** Notice of appeal must be filed within 15 days from judgment or order.
- ****Mandatory Payment:**** Docket fees must be paid within this period for an appeal to be considered perfected.
- ****Court Discretion:**** Extensions or considerations may be applied under compelling justifications like excusable negligence.

****Historical Background:****

The case reflects broader procedural rigidity in Philippine judicial practices of the late 1990s, emphasizing rule adherence in appellate processes. It underscores the balance courts strive between justice delivery (adherence to procedural law) and necessity for procedural flexibility under justified circumstances.