

**Title:** Lullete S. Ko and Arlette Simpliciano Basilio vs. Philippine National Bank, Laoag Branch, and the Register of Deeds of Ilocos Norte

**Facts:**

**Step-by-Step Series of Events:**

- Initial Action:** Petitioners Lullete S. Ko and Arlette Simpliciano Basilio filed an action before the Regional Trial Court (RTC) of Laoag City, Branch 14, for annulment of mortgage, extra-judicial foreclosure sale, annulment of Transfer Certificate of Title Nos. T-21064 and T-21065, and Deed of Sale with a prayer for preliminary injunction and restraining order against Philippine National Bank (PNB) and the Register of Deeds of Ilocos Norte.
- Claims:** Petitioners claimed the mortgage and foreclosure were void as their written consent as beneficiaries of the mortgaged property was not obtained.
- Defense:** PNB countered stating that petitioners had indeed given their consent to the mortgage.
- Failure to Appear:** Petitioners and their counsel failed to attend a scheduled trial. Atty. Eduardo Alcantara, counsel for PNB, cited numerous past instances of non-appearance and moved to dismiss the case due to lack of interest by petitioners to prosecute.

**Procedural Posture:**

- RTC Decision:** On April 27, 2005, the RTC dismissed the complaint due to non-appearance, viewing it as indicative of petitioners' disinterest in prosecuting the action.
- Motion for Reconsideration:** Petitioners filed a motion for reconsideration, claiming ongoing negotiations to re-purchase the property. The RTC denied this motion on July 28, 2005.
- Supreme Court Petition:** Instead of appealing to the Court of Appeals (CA) under Rule 41, petitioners filed a petition for review on certiorari under Rule 45 directly with the Supreme Court.

**Issues:**

- Procedural Error:** Whether petitioners erred in bypassing the CA by filing a petition for review on certiorari directly with the Supreme Court.
- Merits of Dismissal:** Whether the RTC erred in dismissing the case based on petitioners' non-appearance and alleged disinterest.
- Due Process:** Whether petitioners were deprived of their due process rights by the

RTC's dismissal of their case.

**Court's Decision:**

**Issue No. 1 - Procedural Error:**

- **Ruling:** The Supreme Court found petitioners erred in filing a Rule 45 petition for certiorari instead of an ordinary appeal under Rule 41.
- **Reasoning:** An order of dismissal for failure to prosecute, having the effect of a judgment on the merits, necessitates an appeal via Rule 41. Filing under Rule 45 was a procedural misstep.

**Issue No. 2 - Merits of Dismissal:**

- **Ruling:** The Supreme Court affirmed the RTC's dismissal of the case, agreeing that petitioners exhibited lack of interest.
- **Reasoning:** The petitioners and their counsel's non-attendance over three years indicated neglect and disinterest in prosecuting the case, justifying dismissal.

**Issue No. 3 - Due Process:**

- **Ruling:** The Court held that petitioners were not deprived of due process.
- **Reasoning:** The opportunity for hearing was provided but not utilized due to petitioners' own inadvertence. The enforcement of procedural rules was upheld.

**Doctrine:**

- **Adherence to Procedural Rules:** Procedural rules must be strictly followed unless compelling reasons justify otherwise. Failure to file an appeal using the correct procedural route (i.e., Rule 41 vs. Rule 45) can result in the affirmation of dismissal orders.
- **Duty to Prosecute with Diligence:** Plaintiffs must actively pursue their cases with diligence to avoid dismissal for lack of interest. Repeated non-appearance can lead to dismissal.
- **Due Process Principle:** Providing an opportunity to be heard suffices for due process even if the litigant fails to take advantage of it.

**Class Notes:**

- **Key Elements/Concepts:**
  - Rule 17, Sec. 3: Dismissal due to fault of plaintiff.
  - Rule 41: Ordinary appeal procedure.

- Rule 45: Petition for review on certiorari.
  
- **Statutory Citations**:
- **Rule 17** - Dismissal of Complaints: Non-appearance or failure to prosecute can lead to dismissal.
- **Rule 41** - Appeals: Proper mode for appealing RTC dismissals with the effect of a final judgment.
- **Rule 45** - Review by Certiorari: Meant for extraordinary remedies, not for ordinary appeals.
  
- **Application**:
- Appeals must follow the correct procedural path to be entertained.
- Non-attendance and prolonged inaction indicate a lack of interest, meriting dismissal.
- Due process satisfied by providing a reasonable opportunity to be heard, regardless of utilization.

**Historical Background**:

In the early 2000s, the Philippine judiciary faced challenges with clogged dockets and delayed justice. This case underscores reforms encouraging adherence to procedural rules to expedite case resolution. It demonstrates a judicial push towards efficiency, ensuring litigants pursue cases with diligence and utilize proper channels for appeal. This historical context of judicial efficiency aims to uphold both procedural and substantive justice, balancing litigants' rights with judiciary's caseload management.