

Title:

Franco-Cruz v. Court of Appeals, Victory Liner, Inc., et al.

Facts:

On January 4, 1998, a bus from Franco Transit, owned and operated by Maria Liza Franco-Cruz, collided with the rear of a bus and truck wrecker owned by Victory Liner, Inc. along the North Expressway in Pampanga. The collision resulted in the deaths of Manuel Fabian, Rodel Ganelo, Caesar Santos, and Michael Figueroa as well as damage to the Victory Liner vehicles. Franco Transit's driver also died in the accident.

On February 11, 1998, Victory Liner and the widows Marites M. Ganelo, Catherine C. Santos, and Ma. Theresa Q. Fabian sued Maria Liza Franco-Cruz for damages, alleging her failure to exercise proper diligence in selecting and supervising the bus driver.

Franco-Cruz denied fault and claimed she was not the bus's registered owner, arguing that Felicisima R. Franco was the actual owner by showing the Certificate of Registration to support her claim. Despite this, Franco-Cruz and her counsel failed to appear at the pre-trial scheduled on June 5, 1998, and Franco-Cruz was declared in default, resulting in an ex-parte presentation by the respondents.

After her subsequent motions for reconsideration were denied for procedural reasons, and various orders by the trial court, including being declared in default and the denial of a motion for reconsideration for being filed late, the Regional Trial Court awarded damages to the respondents. Franco-Cruz's motions for reconsideration and relief were continually denied, with the appellate Court later affirming the trial court's decision. Franco-Cruz then filed a Petition for Certiorari with the Supreme Court.

Issues:

1. Whether the Court of Appeals erred in holding that Franco-Cruz lost the right to appeal due to the late filing of her motion for reconsideration.
2. Whether the trial court's decision should be overturned as Franco-Cruz was allegedly deprived of due process.
3. Whether Franco-Cruz was the rightful party-in-interest and the real owner of the Franco Transit bus involved.
4. Whether Franco-Cruz can be held liable under Article 2180 of the Civil Code for the negligence of the bus driver.

Court's Decision:

1. **Timeliness of Appeal**:

- The Supreme Court affirmed that Franco-Cruz's motion for reconsideration was filed beyond the fifteen-day period allotted by law, thus precluding her right to appeal. The late filing rendered the trial court's decision final and executory.

2. **Due Process**:

- The Supreme Court recognized that the application of the finality of judgment rule would result in a miscarriage of justice. Given the procedural missteps of the trial court in precluding Franco-Cruz from presenting her case, the higher court held that due process was not afforded to Franco-Cruz.

3. **Real Party-in-Interest**:

- The Supreme Court noted that respondents failed to substantiate their claim that Franco-Cruz was the registered owner of the Franco Transit bus, despite her providing the Certificate of Registration indicating that Felicisima R. Franco was the actual registered owner. Therefore, the case required a reassessment, giving Franco-Cruz an opportunity to present her defenses.

4. **Negligence under Article 2180**:

- The Court highlighted that the presumption of negligence under Article 2180, which places liability on employers for the negligent acts of employees, required Franco-Cruz's due process rights to present defenses to be acknowledged. Without proof of ownership, Franco-Cruz's responsibility under this article remained undetermined.

Doctrines:

Due Process in Default Judgments:

A decision rendered ex-parte does not relieve the plaintiff of the burden to prove claims against the defendant. The defendant's right to due process includes presenting defenses which should not be waived simply due to absence at a pre-trial hearing, especially if procedural errors contribute to such absence.

Timeliness of Appeals:

The perfection of an appeal within the reglementary period is mandatory and jurisdictional. However, exceptions may occur if strict application results in gross injustice or deprivation of due process.

Class Notes:

- **Burden of Proof**: The party alleging a fact must provide competent evidence to support

it, especially in ex-parte cases.

- **Real Party-in-Interest**: Registered ownership documents are prima facie evidence of ownership.
- **Due Process**: A defendant must be afforded an opportunity to present their case fully and fairly.
- **Procedural Compliance**: Timelines for appeal are mandatory but procedural injustices may constitute exceptions.

Historical Background:

This case emphasizes the judiciary's evolving emphasis on due process and the necessity of providing every party an adequate opportunity to present their defenses, even in default judgments. The ruling underscores the balance between procedural rules and substantive justice to prevent miscarriages of justice due to procedural technicalities.

Key Statutes:

- **Article 2180 of the Civil Code**: Employers' liability for their employees' actions.
- **Rules of Court**: Specific provisions around default judgments and timelines for appeals (Rule 37, Sec. 1; Rule 41, Sec. 3; Rule 65, Sec. 1).