

****Title:**** Victoria Legarda vs. Court of Appeals, New Cathay House, Inc., and RTC Quezon City

****Facts:****

****Initial Action and Temporary Restraining Order**:**

1. Victoria Legarda owned a property at 123 West Avenue, Quezon City.
2. New Cathay House, Inc. filed a complaint for specific performance and damages to compel Legarda to sign a lease for the property.
3. The Regional Trial Court of Quezon City issued a temporary restraining order against Legarda to prevent her from stopping renovations by New Cathay House, Inc.

****Legal Representation and Default Judgment**:**

4. Antonio P. Coronel of Coronel Law Office entered his appearance as Legarda's counsel and requested a 10-day extension to file an answer.
5. Although an extension was granted until February 20, 1985, Legarda failed to file an answer.
6. The trial court declared Legarda in default, leading to an ex-parte presentation of evidence by New Cathay House, Inc.
7. On March 25, 1985, the court issued a default judgment against Legarda, ordering her to sign the lease and pay damages totaling P388,764.37.

****Execution of Judgment**:**

8. Atty. Coronel received the decision but did not appeal, leading to its finality.
9. A writ of execution was issued. Consequently, the sheriff sold the property at public auction to New Cathay House, Inc., and the sale was registered.

****Petition for Annulment**:**

10. On November 6, 1986, Legarda, through her attorney-in-fact, filed a petition for annulment of judgment in the Court of Appeals, alleging fraud and lack of supporting evidence.
11. The Court of Appeals issued a temporary restraining order but, after hearings, dismissed Legarda's petition on November 29, 1989, citing counsel's negligence.

****Supreme Court Intervention and Subsequent Developments**:**

12. Legarda, through new counsel, filed a petition for certiorari with the Supreme Court on August 7, 1990, asserting deprivation of due process due to her counsel's negligence.
13. The Supreme Court declared the lower court's decisions null and void on March 18,

1991, ordered the property to be reconveyed to Legarda, and mandated the cancellation of its registration under New Cathay House, Inc.

14. Atty. Coronel was ordered to show cause why he should not be held administratively liable.

****Subsequent Extensions and Final Decision**:**

15. Atty. Coronel requested extensions to file an explanation but failed to do so timely, with additional excuses including medical conditions.

16. Finally, the Supreme Court denied his second motion for extension and proceeded to penalize him for gross negligence.

****Issues**:**

1. Whether Victoria Legarda was deprived of due process of law due to her counsel's gross negligence.
2. Whether the lower court's default judgment and subsequent legal proceedings and executions were valid.
3. Whether Atty. Antonio Coronel should be held administratively liable for violating the Code of Professional Responsibility.

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

****Deprivation of Due Process**:**

The Court held that Legarda was indeed deprived of due process due to her counsel's gross negligence. Despite his recognized stature, Atty. Coronel's failure to file the required answer and subsequent negligence throughout the proceedings deprived Legarda of her property rights without proper legal defense.

****Invalidity of Lower Court's Decisions and Proceedings**:**

The Supreme Court cited serious procedural lapses resulting from Atty. Coronel's inaction, which led to the nullification of the lower court's judgment and all subsequent transactions including the sale and registration of the property.

****Administrative Liability of Atty. Coronel**:**

The Court found Atty. Coronel grossly negligent, violating Canon 18 and Rule 18.03 of the Code of Professional Responsibility. His actions caused significant prejudice to his client. Consequently, the Court suspended him from practice for six months, with a warning for possible harsher penalties for future infractions.

****Doctrine:****

A lawyer's gross negligence and failure to adequately represent their client can constitute a valid ground for annulling judicial proceedings based on deprivation of due process. Lawyers must diligently protect their client's interest, and severe consequences, including suspension, may result from failing to fulfill their professional responsibilities.

****Class Notes:****

- ****Gross Negligence (Canon 18, Rule 18.03, Code of Professional Responsibility):**** Failure of a lawyer to act with the competence and diligence required, leading to severe client prejudice.
- ****Annulment of Judgment:**** Can be based on fraud or substantive lack of due process.
- ****Procedural Due Process:**** Essential in ensuring justice; failure to follow procedure can negate otherwise valid judicial outcomes.
- ****Disciplinary Actions against Lawyers:**** Inexcusable negligence can result in suspension or disbarment, ensuring the integrity of the legal profession.

****Historical Background:****

This case highlights the challenges within the Philippine legal system concerning client representation and procedural fairness. The decision in *Victoria Legarda vs. Court of Appeals* underscores the Supreme Court's stance on maintaining rigorous professionalism among lawyers and protecting litigants' rights from negligent legal counsel. This serves as a precedential reminder post-1980s reforms towards greater judicial accountability and transparency.