

Title: Philippine National Bank vs. Spouses Nestor and Felicidad Victor and Spouses Reynaldo and Gavina Victor

Facts:

- Primary Incident (2009):** Spouses Nestor and Felicidad Victor and Spouses Reynaldo and Gavina Victor (respondents) filed a complaint against Philippine National Bank (PNB) for declaration of nullity of real estate mortgage, extra-judicial foreclosure, and cancellation of the title of a parcel of land.
- PNB's Response:** PNB filed its Answer with a Compulsory Counterclaim.
- Respondents' Motion:** Respondents then filed a Motion for Judgment on the Pleadings.
- PNB's Inaction:** PNB did not respond to the motion, leading to the submission of the complaint for decision.
- RTC Decision (April 2011):** Regional Trial Court (RTC) of Malolos City, Branch 9, declared PNB's extra-judicial foreclosure proceedings null and void and canceled PNB's title.
- Motion for Reconsideration:** PNB sought an extension of time to file a Motion for Reconsideration which was denied.
- Denial of Further Motions:**
 - June 2011:** RTC denied PNB's Motion to Nullify Proceedings.
 - July 2011:** RTC granted respondents' motion for the issuance of a writ of execution.
- Petition for Relief (July 15, 2011):** PNB filed a Petition for Relief, claiming deprivation of due process due to the gross negligence of its counsel.

Procedural Posture:

- RTC Denial (August 12, 2011):** RTC denied the petition for being filed out of the reglementary period.
- Petition for Certiorari:** PNB filed a Petition for Certiorari under Rule 65 before the Court of Appeals (CA).

- **CA Decision (December 21, 2012)**: CA dismissed the petition, citing procedural lapses and no deprivation of due process.
- **Motion for Reconsideration**: PNB's motion was denied by the CA on April 29, 2013.
- **Supreme Court Appeal**: PNB filed a Petition for Review on Certiorari before the Supreme Court.

Issues:

1. **Timeliness of Petition for Relief**: Whether PNB's Petition for Relief was filed within the prescribed period.
2. **Due Process Deprivation**: Whether the alleged acts of PNB's counsel deprived it of due process warranting the relaxation of procedural rules.

Court's Decision:

1. **Timeliness of Filing**:

- **Rule 38, Section 3 Compliance**: Petition for Relief must be filed within 60 days from the notice of judgment and not more than six months after such judgment was entered.
- **Compliance Failure**: PNB missed this deadline, having filed the petition on July 15, 2011, well beyond the prescribed period which ended June 27, 2011.
- **Notice to Counsel**: Notice to PNB's counsel on April 27, 2011, was deemed notice to PNB.

2. **Due Process**:

- **Opportunity for Defence**: PNB had the opportunity to present its case by filing an answer with a compulsory counterclaim to the initial complaint.
- **Counsel's Role**: Negligence by PNB's counsel did not equate to a total deprivation of due process.
- **Doctrine Binding of Client to Counsel**: PNB bound by its counsel's actions, thus no substantive grounds to claim deprivation of due process.

Doctrine:

- **Strict Adherence to Procedural Periods**: The twin-period for filing petitions under Rule 38 is jurisdictional and must be strictly complied with.
- **Notice to Counsel Principle**: Notice to a party's legal counsel constitutes notice to the party.

- **Due Process in Civil Litigation**: Due process is satisfied when a party is given an opportunity to be heard or to present its case.

Class Notes:

- **Rule 38 of the Rules of Court**:
- **Section 1**: Relief from judgment due to fraud, accident, mistake, or excusable negligence.
- **Section 3**: 60-day filing requirement from awareness and a six-month limit from judgment entry.
- **Notice to Counsel**: Equates to notice to the client (*Taningco v. Fernandez*).
- **Doctrine on Counsel's Negligence**: Client is generally bound by counsel's actions unless gross negligence precisely deprives due process (*Spouses Que v. CA*).
- **Due Process**: Mere procedural lapses do not constitute deprivation if the party was afforded reasonable opportunity to present defenses.

Historical Background:

- **Judicial Efficiency**: This case highlights the judiciary's emphasis on procedural efficiency and the finality of litigation.
- **Legal Representation**: Stresses the critical role of competent legal representation in safeguarding clients' procedural rights and remedies.