

MA. CECILIA L. PESAYCO, COMPLAINANT, VS. JUDGE WILLIAM M. LAYAGUE, RTC, BRANCH 14, DAVAO CITY, RESPONDENT.*A.M. No. RTJ-04-1889 (Formerly OCA-IPI No. 02-1525-RTJ). December 22, 2004*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/14c600a8361f/>**TINGA, J.:**

This administrative case arose from an Affidavit-Complaint dated July 3, 2002, filed before the Office of the Court Administrator (OCA) by Atty. Ma. Cecilia L. Pesayco (Pesayco) against Judge William M. Layague (Judge Layague) of the Regional Trial Court (RTC), Branch 14 of Davao City, charging the latter of gross ignorance of the law and knowingly rendering an unjust interlocutory order, manifest partiality, unreasonable delay in the resolution of pending incident and serious misconduct and inefficiency in the performance of his duty.[1]

The factual antecedents are as follows:

Pesayco filed the administrative case in her capacity as the Chief Legal Counsel of the Philippine National Bank (PNB), which earlier had extrajudicially foreclosed the properties mortgaged by the spouses Robert Alan and Nancy Limso (spouses Limso).

On March 25, 2002, the spouses Limso filed Civil Case No. 29,036-2002[2] before the RTC presided by Judge Layague for declaratory relief, with prayer for the issuance of a preliminary injunction. In the complaint, the spouses Limso claimed that the period to redeem should be governed by Act 3135 which provides for a one (1) year redemption period from registration of the sale, not by Republic Act No. 8791 or the General Banking Law of 2000.[3] They also asked the court that R.A. No. 8791 be declared unconstitutional.[4]

Pesayco contends that PNB was not notified of the raffle of this civil case.[5] Before the bank was served with summons and a copy of the complaint, the spouses Limso amended their complaint into a petition, with an application for a temporary restraining order (TRO)[6]. On April 10, 2002, Judge Layague issued a TRO without conducting a hearing. However, after realizing his mistake, Judge Layague issued an Order dated April 16, 2002 reversing his earlier order.[7]

On April 25, 2002, PNB filed a Motion to Dismiss, with Opposition to Petitioner's Prayer for Issuance of Preliminary Injunction and Application for Temporary Restraining Order[8] on the ground that the spouses Limso were guilty of forum-shopping after the writ of preliminary injunction granted by Branch 17 of RTC of Davao City in Civil Case No. 28,170-2000 was dissolved by the Court of Appeals; that there was a pending case involving the spouses Limso and PNB involving the same issues and the same reliefs; that the petition stated no cause of action; and that the spouses Limso had no locus standi to file the petition for not being the real parties-in-interest. A hearing on the application for a writ of preliminary injunction was conducted.

On May 3, 2002, Judge Layague issued an Order granting the writ of preliminary injunction applied for by the spouses Limso. On May 13, 2002, PNB filed a Motion for Reconsideration of the May 3, 2002 Order[9]. According to Pesayco, Judge Layague had, after issuing the Order filed a leave of absence up to May 31, 2002[10]. However, by reason of his absence, the Motion for Reconsideration was resolved by the pairing judge who ruled in favor of PNB by dissolving the writ of preliminary injunction per the Order dated May 23, 2002.[11]

Aggrieved by the order of the pairing judge, the spouses Limso immediately filed a Motion for Reconsideration on May 24, 2002. Judge Layague, Pesayco alleges cut short his leave and returned to work on May 28 or 29, 2002, so that he could hear the Motion for Reconsideration of the spouses Limso.[12]

On May 30, 2002, the lawyers and the vice-president of PNB filed a counter bond in the amount of P100 million. On that occasion, they were able to talk to Judge Layague, who allegedly expressed his misgivings about the order of the pairing judge, saying that it was full of loopholes and dealt with “alien matters.” Sensing bias and partiality from the statements of Judge Layague, PNB filed a Motion to Inhibit Judge Layague[13]. On June 24, 2002, Judge Layague reversed the order of the pairing judge despite the Motion to Inhibit and reinstated his previous order granting the writ of preliminary injunction.[14]

Pesayco is of the opinion that by granting the prayer for injunction, Judge Layague disposed of the main case[15]. She insists that the spouses Limso are guilty of forum-shopping since the reliefs they prayed for in Civil Case No. 29,036-2002 are the same as those sought in Civil Case No. 28,170-2000 entitled *Davao Sunrise Investment Development Corporation v. PNB*; Robert Alan Limso is the president of the plaintiff corporation in the other case.[16] Pesayco points out that the spouses Limso had sought the preliminary injunction after a similar writ of preliminary injunction issued by a different Branch of the Davao RTC (Branch 17) had been dissolved by the Court of Appeals. She also believes that Judge Layague was biased when he denied the Motion to Dismiss in the same order granting the prayer for a writ of preliminary injunction without any hearing. Further, Pesayco assails the grant of preliminary injunction by Judge Layague because the remedy is not available in a petition for declaratory relief.[17]

Pesayco avers that she is aware of the rule that no notice of hearing is required when the initiatory pleading does not pray for a temporary restraining order (TRO).[18] She adds, however, that when the spouses Limso amended their complaint into a petition which included an injunctive relief, Judge Layague should have sent the records back to the Clerk of Court for raffle pursuant to Section 4(c), Rule 58 of the 1997 Revised Rules of Civil Procedure which mandates that the case shall be raffled only after notice to and in the presence of the party to be enjoined.[19]

Pesayco also alleges in her Affidavit-Complaint that in another case before the same judge and also involving PNB,[20] a Motion for Reconsideration filed nearly a year earlier on June 6, 2001 by PNB had yet to be resolved, despite having been deemed submitted for resolution when PNB filed its reply on August 1, 2001. Pesayco points out that Judge Layague has failed to resolve the motion within the reglementary period.[21]

In his comment to Pesayco’s Affidavit-Complaint, Judge Layague argues that PNB was not entitled to a notice of raffle because what was initially filed was a complaint without a prayer for a TRO.[22] Even when the complaint was amended into a petition, Judge Layague avers that he did not serve summons on PNB as it was not necessary adding that he had nothing to do with the raffle of cases. What he did instead was to direct the latter to file a comment.[23] As regards the issuance of the TRO, Judge Layague admits erring in granting the TRO without a hearing, yet points out that he had rescinded such order upon realizing his mistake.

As to his issuance of the Order dated May 3, 2002, Judge Layague contends that he granted the prayer for a writ of preliminary injunction based on jurisprudence and after a careful consideration of the evidence of both parties.[24] He avers that he was of the honest belief that the spouses Limso did not commit forum-shopping since the two (2) purportedly related cases,[25] did not involve the same issues. He denies that his order granting the prayer for a writ of preliminary injunction disposed of the main case because notwithstanding the order, the parties would still have to present their respective evidence on the proper redemption period.[26]

Moreover, Judge Layague refutes the claimed that he denied the Motion to Dismiss of PNB in the same order

wherein he granted the prayer for a writ of preliminary injunction. He cites his Order of May 3, 2002, noting that nowhere in the order did he rule on the motion. He adds that the filing of the Motion to Dismiss by PNB was not sanctioned by the rules, since the order giving due course to the petition clearly directed PNB to file a comment, and not a motion to dismiss. Judge Layague alleges that he stated in open court that the motion would be treated as affirmative defenses.[27]

Judge Layague avers that he went on leave on May 9 up to May 28, 2002 to undergo a physical examination and possibly prostatectomy. He denies having purposely cut short his leave so he could hear and resolve the Motion for Reconsideration of the spouses Limso. He claims that his absence depended on the outcome of the medical examination.[28]

Judge Layague confirms having met with the lawyers of PNB and its vice-president but denied saying that the order of the pairing judge were full of loopholes and included alien matters. Further, he avers that the denial of PNB's Motion for Reconsideration on January 10, 2003 was done not out of vengeance but merely for the purpose of correcting the errors committed by the pairing judge. In fact, Judge Layague notes that he subsequently granted PNB's Motion to Inhibit, albeit only on January 10, 2003, or some months after Pesayco filed the instant complaint.

Judge Layague admits the delay in resolving PNB's Motion for Reconsideration in Civil Case No. 28, 469-2001, as he resolved it only on January 10, 2003. He attributes the delay to his failing health and the condition of his court docket. However, he partly blames the counsel for PNB for not reminding him of the pendency of the motion.[29]

In its report dated September 17, 2003, the OCA recommends that Judge Layague be fined in the amount of P10,000.00 for failure to apply Section 4(c), Rule 58 of the 1997 Revised Rules of Civil Procedure when he omitted to have the case raffled with due notice to PNB after the complaint was amended to include a prayer for a TRO.[30] The OCA also cites Judge Layague for inefficiency with a warning that a similar offense shall be dealt with more severely. The OCA, however, recommends the dismissal of the other charges for being judicial in nature.[31]

Noting that most of the issues raised in the complaint are sub judice,[32] the OCA stresses that a study of the petition in CA-G.R. SP No. 71527[33] reveals that the issues raised therein by PNB are essentially the same as those raised in the instant complaint. The records of the Court of Appeals show that a decision favorable to PNB was rendered in the case on December 11, 2002 but on December 20, 2002 the spouses Limso filed a Motion for Reconsideration which is still to be resolved. Thus, the OCA concludes, on those matters the complaint is still premature, and any action this Court may come out thereon may injudiciously pre-empt whatever action the Court of Appeals may take on the Motion for Reconsideration filed by the spouses Limso.[34]

The OCA finds Judge Layague accountable on two counts: for failing to apply Section 4(c), Rule 58 of the 1997 Rules of Civil Procedure, and for inefficiency in taking all of seventeen (17) months to resolve PNB's Motion for Reconsideration in Civil Case No. 28, 469-2001.

No less than the Code of Judicial conduct mandates that a judge shall be faithful to the laws and maintain professional competence.[35] Indeed, competence is a mark of a good judge. A judge must be acquainted with legal norms and precepts as well as with procedural rules.[36] When a judge displays an utter lack of familiarity with the rules, he erodes the public's confidence in the competence of our courts. Such is gross ignorance of the law. One who accepts the exalted position of a judge owes the public and the court the duty to be proficient in the law. Unfamiliarity with the Rules of Court is a sign of incompetence. Basic rules of procedure must be at the palm of a judge's hands.

Thus, this Court has consistently held that a judge is presumed to know the law and when the law is so elementary, not to be aware of it constitutes gross ignorance of the law.[37] Verily, failure to follow basic legal commands embodied in the law and the Rules constitutes gross ignorance of the law, from which no one is excused, and surely not a judge.[38]

However, not every mistake by a judge in the application of the law is vulnerable to an attack for gross ignorance of the law. A caveat was laid down by this Court that for liability to attach for ignorance of the law, the assailed order, decision or actuation of the judge in the performance of official duties must not only be found to be erroneous but, most importantly, it must be established that he was moved by bad faith, dishonesty, hatred or some other like motive.[39] Similarly, a judge will be held administratively liable for rendering an unjust judgment—one which is contrary to law or jurisprudence or is not supported by evidence—when he acts in bad faith, malice, revenge or some other similar motive.[40] In other words, in order to hold a judge liable for knowingly rendering an unjust judgment, it must be shown beyond reasonable doubt that the judgment is and that it was made with a conscious and deliberate intent to do an injustice.[41] In fine, bad faith is the ground for liability in either or both offenses.[42]

In the case at bar, there is dispute that PNB was not entitled to a notice of raffle at the time the initial complaint of the spouses Limso was filed since the same did not contain a prayer for a TRO. However, when the complaint was amended to include such prayer, a notice of raffle should have been sent to PNB. The OCA, agreeing with Pesayco, submits that Judge Layague's failure to send notice of raffle constitutes a violation of Section 4(c), Rule 58 of the 1997 Rules of Civil Procedure, which states:

Section 4. Verified application and bond for preliminary injunction or temporary restraining order. —A preliminary injunction or temporary restraining order may be granted only when:

(c) When an application for a writ of preliminary injunction or a temporary restraining order is included in a complaint or any initiatory pleading, the case, if filed in a multi-sala court, shall be raffled only after notice to and in the presence of the adverse party or the person to be enjoined. In any event, such notice shall be preceded, or contemporaneously accompanied, by service of summons, together with a copy of the complaint or initiatory pleading and the applicant's affidavit and bond, upon the adverse party in the Philippines. (Emphasis supplied)

....

The OCA notes that to allow otherwise would lead to easy circumvention of the rules by filing first a complaint without any prayer for a TRO, and amending such complaint only after the case had been raffled off to include a prayer for the issuance of a TRO, thus effectively evading the requirement of notice to the adverse party, as well as depriving such party the opportunity to witness the raffle of the case. These concerns are quite valid, yet must be qualified by the following observations.

There is no rule of procedure that authorizes the re-raffling of a case by reason of an amendment of a complaint to include a prayer for preliminary injunction or a TRO. Neither has there been jurisprudence holding that such re-raffling should be done. It would thus be absurd to require the sending out of notices for a non-existent raffle. On this point, Judge Layague could not be taken to task for not applying Section 4(c) of Rule 58 simply because there is no indubitable or settled guidepost that the procedure should be observed in the situation in point.

The concerns of the OCA are understandable, and it may well be observed that the spouses Limso have come across a loophole to Rule 58. Yet we are mindful that the issue we are resolving is whether Judge Layague betrayed gross ignorance of the law in not applying Section 4(c), Rule 58. Considering that the notice/raffle requirement in relation to a complaint amended to include a prayer for TRO is a gray area which has yet to be clarified by the Court, we could not blame Judge Layague for retaining his assignment absent any express

command in law or jurisprudence for him to abdicate it. Besides, such action is hardly indicative of any bad faith, dishonesty, hatred or some other like motive which characterizes the offense of gross ignorance of the law.

However, we agree with the OCA that Judge Layague is guilty of Inefficiency. By his own admission, it took seventeen (17) months to resolve the Motion for Reconsideration filed by PNB in Civil Case No. 28, 469-2001. Moreover, Judge Layague resolved the motion for reconsideration only after the filing of the instant complaint, leading one to wonder whether such resolution would have been further delayed had Pesayco not lodged the case against him. This is a blatant transgression of the rule that judges should dispose of the case with promptitude for the same is not only an ethical issue but a constitutional right of the litigants as well. In fact, the Code of Judicial Conduct enshrined in its pages the significance of this obligation on the part of the magistrates:

CANON 1. Rule 1.02. - A Judge should administer justice impartially and without delay.

CANON 3. Rule 3.05. – A judge shall dispose of the court’s business promptly and decide cases within the required periods.

This tribunal has emphasized that judicial indolence is considered gross inefficiency punishable by fine or suspension from service without pay with the gravity of the penalty dependent on the attendant aggravating or mitigating circumstances.[43] Judge Layague ascribes the delay in the resolution of the motion to his ailing health and caseload. But this Court has ruled that if the caseload of the judge or any other circumstance prevents the disposition of cases within the prescribed period, he should ask for a reasonable extension of time from the Supreme Court, so as to avoid or dispel any suspicion that something sinister or corrupt is going on.[44] In *Golangco v. Judge Villanueva*,[45] we held that the mandate to promptly dispose of cases or matters applies also to motions or interlocutory matters or incidents pending before a magistrate. Unreasonable delay of a judge in resolving a pending incident is a violation of the norms of judicial conduct and constitutes gross inefficiency that warrants the imposition of an administrative sanction against the defaulting magistrate.

It must be noted that the delay for which Judge Layague is being found liable pertains to only one pleading filed. This circumstance certainly does not extenuate Judge Layague from sanction, yet may serve to reduce his penalty. A fine of Five Thousand Pesos (P5,000.00) is appropriate under the circumstances.

WHEREFORE, the foregoing premises considered, we find Judge Layague guilty of INEFFICIENCY and fine him in the amount of FIVE THOUSAND PESOS (P5,000.00) with a warning that a similar offense shall be dealt with more severely.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, and Chico-Nazario, JJ., concur.
Callejo, Sr., J., on leave.

[1] Rollo, p. 2.

[2] *Id.* at 8.

[3] This law provides that the redemption may be made not later than the registration of the certificate of foreclosure sale which in no case shall be more than three (3) months after foreclosure, whichever is earlier.

[4] Rollo, p. 514.

[5] *Supra* note 1.

[6] Ibid.

[7] Rollo, p. 21.

[8] Id. at 22.

[9] Id. at 515.

[10] Id. at 488.

[11] Penned by Judge Jesus Quintain; Id. at 80-82.

[12] Id. at 515.

[13] Id. at 423.

[14] Supra note 11.

[15] Id. at 4, citing Valley Trading Co., Inc. v. CFI, 171 SCRA 501.

[16] Ibid.

[17] Ibid.

[18] Id. at 485.

[19] Id. at 485.

[20] Civil Case No. 28, 469-2001 entitled GASF, Inc. v. PNB; Id. at 6.

[21] Ibid.

[22] Id. at 125-126.

[23] Id. at 126.

[24] Id. at 126.

[25] To wit: Civil Cases No. 28,170-2000 and 29,036-2002.

[26] Id. at 516.

[27] Ibid.

[28] Ibid.

[29] Id. at 516-517.

[30] Id. at 518.

[31] Id. at 519.

[32] Particularly, (a) that the spouses Limso are guilty of forum-shopping; (b) that the writ of preliminary injunction issued by Judge Layague disposed of the main case; (c) that the motion to dismiss of PNB was denied without a hearing because it was resolved by Judge Layague in the same order granting the application for writ of preliminary injunction; (d) that the writ of preliminary injunction is not available in a petition for declaratory relief; (e) that Judge Layague cut short his leave so he can hear and resolve the Motion for Reconsideration filed by the spouses Limso; (f) that Judge Layague prejudged the motion for reconsideration and (g) that Judge Layague granted the Motion for Reconsideration of the spouses Limso despite the fact that PNB had already filed

a Motion to Inhibit him. Id. at 518.

[33] Id. at 492.

[34] See Pagayanan v. dela Victoria, A.M. OCA IPI 97-282-RTJ, March 4, 1998; Alvernaz v. Padolina, A.M. No. RTJ 90-612, February 4, 1992.

[35] Canon 3, Rule 3.01, Code of Judicial Conduct.

[36] Guillen v. Cañon, 424 Phil. 81 (2002).

[37] Ibid citing Agunday v. Tresvalles, 377 Phil. 138 (1999).

[38] Ibid, citing De Austria v. Beltran, 372 Phil. 310 (1999).

[39] Araos v. Luna-Pison, 428 Phil. 290 (2000) citing De la Cruz v. Conception, 235 SCRA 597(1994).

[40] Guerrero v. Villamor, 357 Phil. 90 (1998).

[41] Naval v. Panday, 341 Phil. 656 (1997).

[42] Heirs of the Late Nasser D. Yasin v. Felix, 321 Phil. 129 (1995).

[43] Yu-Asensi v. Villanueva, Adm. 379 Phil. 258 (2000).

[44] Bolalin v. Occiano, 334 Phil. 178 (1997).

[45] 433 Phil. 660, 665 (2002) citing Hilario v. Conception, 327 SCRA 96, 103 (2002); De Vera v. Layague, 341 SCRA 67, 77 (2000) and Canson v. Garchitorena, 311 SCRA 268 (1999).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.