

COCO-CHEMICAL PHILIPPINES, INC., PETITIONER, VS. HONORABLE, COURT OF APPEALS, SAN PABLO MANUFACTURING CORP., PVO INTERNATIONAL, INC., ROTHCHILD BROKERAGE CORP., PRIME COMMERCIAL...

G.R. No. 108574. November 19, 1996

Ponente: MENDOZA, J.

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MENDOZA, J.:

This is a petition to review the decision of the Court of Appeals dismissing a petition for certiorari which petitioner had filed to set aside the order of the Regional Trial Court of Makati, Branch 57. The aforesaid order of the trial court dismissed petitioner's appeal from the decision in Civil Case No. 43203.

The antecedent facts are as follows:

On October 9, 1981, petitioner Coco-Chemical Philippines, Inc. filed a complaint against private respondent San Pablo Manufacturing Corp. (SPMC), seeking recovery of the sum of P493,120.00 which it had allegedly deposited as security for payment to private respondent PVO International, Inc. of price differentials. After petitioner had presented its evidence, SPMC filed a demurrer to the evidence on the ground that there was no showing that the amount had been paid by petitioner to PVO International so as to justify withdrawal of the security.

On February 14, 1992, the trial court granted SPMC's demurrer and dismissed the case on the ground of lack of cause of action and lack of jurisdiction. Petitioner received the order of dismissal on March 4, 1992.

On March 19, 1992, a notice of appeal, filed by the law firm of Santiago, Jr., Vidad, Corpus, and Associates "by Jesus L. Lagrimas, Jr.," who signed the notice, stated that it was being filed on behalf of "defendant Philippine National Bank (PNB)." For this reason, as PNB was not a party to the case, the SPMC moved to dismiss the appeal.

Atty. Lagrimas appeared in court to oppose the dismissal of the appeal. He explained that the law firm of Santiago, Jr., Vidad, Corpus, and associates was the new counsel of petitioner, and was as it was also the illegal counsel of PNB, its stenographers were so accustomed to writing the name of PNB in their pleadings that they erroneously wrote the name of the bank in the notice of appeal intended to be filed on behalf of petitioner Coco-Chemical. The error had gone unnoticed by the attorney to whom the case was assigned, who was inexperienced. It is now alleged that the attorney had just passed the bar examinations at that time. Atty. Lagrimas, therefore, moved for the correction of the notice. However, the trial court considered the explanation unsatisfactory and dismissed petitioner's appeal on April 3, 1992. Petitioner's motion for reconsideration was denied in the resolution of July 6, 1992.

Petitioner filed a petition for certiorari to set aside the two orders of the trial court, but the Court of Appeals dismissed the petition. The appellate court held that the notice of appeal was a mere scrap of paper which did not

stop the running of the 15-day period of appeal, with the result that the trial court's decision became final and executory.

Hence this petition. Petitioner contends that the notice of appeal in this case was clearly intended as a notice of appeal of petitioner, considering that in addition to the law office of Santiago, Jr., Vidad, Corpus and Associates, it bore the name of Atty. Jesus L. Lagrimas who had theretofore been petitioner's counsel and that the notice correctly gave the title and case number of the case and the date of the judgment. It was further pointed out that PNB was not a party to the case, and hence, the notice could not have been intended to be filed on behalf of the bank. Petitioner "implores" the Court for a liberal construction and relaxation of the rules in the name of substantial justice.

The petition is meritorious. The Court of Appeals held that the trial court could not be expected to assume that the notice of appeal was meant for petitioner and courts should not be subjected to "guessing games." [1] It is obvious, however, that the error was due to inadvertence on the part of petitioner's counsel. Although counsel was negligent in failing to discover the error before signing the notice, his negligence should be considered excusable and the interest of justice should be upheld by considering the notice filed as actually made on behalf of petitioner for the following reasons:

(a) the title of the case and its number as well as the name of the court were correctly stated in the caption of the notice of appeal;

(b) the notice was signed by Atty. Jesus L. Lagrimas, who had previously been representing petitioner;

(c) the Philippine National Bank is not a party to the case;

(d) it is very probable that the mistake was made by stenographers and an inexperienced attorney in the office of the new counsel because PNB, on whose behalf the notice was erroneously filed, was also a client of the same law firm now representing petitioner and it is not unlikely that the stenographers who prepared the notice of appeal typed the name of the PNB out of force of habit while an attorney, through inexperience, did not notice the error; and

(e) no prejudice would be caused by the allowance of the appeal, while real prejudice would be caused to petitioner by its disallowance.

Given these facts, we hold that it was a grave abuse of discretion for respondent judge to disallow the correction of the notice and dismiss the appeal of petitioner. Respondent judge should have given petitioner's attorneys the benefit of the doubt and allowed them to file a corrected notice of appeal on behalf of petitioner. It is hardly necessary to state that the policy of the Court is to encourage decisions based on the merits rather than on dubious technicality which only contributes to the clogged dockets of courts. [2]

WHEREFORE, the decision of the Court of Appeals is hereby REVERSED and SET ASIDE and a new one is rendered ANNULING the orders dated April 3, 1992, and July 6, 1992 of the Regional Trial Court, which is hereby ORDERED to give due course to petitioner's appeal in Civil Case No. 43203.

SO ORDERED.

Regalado (Chairman), Romero, and Torres, Jr., JJ., concur.

Puno, J., no part.

[1] Decision, p. 5. Rollo, p. 22.

[2] People's Security, Inc. v. NLRC, 226 SCRA 146 (1993); Insular Bank of Asia and America v. Court of Appeals, 228 SCRA 420 (1993).

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