

**SPOUSES RUDY S. AMPELOQUIO, SR. AND LAGRIMAS OBNAMIA,
PETITIONERS, VS. COURT OF APPEALS, HON. FEDERICO A. TAÑADA,
PHILIPPINE NATIONAL BANK, RESPONDENTS.**

G.R. No. 124243. June 15, 2000

Ponente: QUISUMBING, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-124243/>

QUISUMBING, J.:

Before us is a petition for certiorari seeking to set aside the February 14, 1996 Decision[1] and the March 14, 1996 Resolution[2] of public respondent Court of Appeals in CA-G.R. SP No. 38751. Said decision upheld the July 28, 1995 interlocutory Order[3] of the Regional Trial Court of Lucena City, Branch 57 in Civil Case No. 94-186, which denied the petitioners' motion to declare respondent in default.

The case has its origin sometime in 1993, when allegedly for failure of petitioners to pay a loan despite demands, private respondent, Philippine National Bank (PNB), instituted an extrajudicial foreclosure proceeding with the Office of Ex-Officio Provincial Sheriff of Lucena City on two parcels of land which petitioners own and used as security for a loan. At the auction sale, PNB as the highest bidder acquired the mortgaged properties. The Provincial Sheriff executed a certificate of sale in favor of PNB. Accordingly, upon the expiration of the redemption period, TCT Nos. T-290750 and 290751 were issued, transferring ownership of said parcels to PNB.

On October 24, 1994, petitioners filed before the Regional Trial Court of Lucena City, Branch 57, a complaint[4] for the annulment of a mortgage contract they entered into with PNB. Petitioners further asked for the declaration of nullity of extra-judicial foreclosure of their mortgaged properties and the cancellation of TCT Nos. T-290750 and 290751 already issued in PNB's name.

On November 4, 1994, PNB filed a motion for extension of time to file an answer.

On November 18, 1994, instead of filing an answer, PNB filed a motion[5] to dismiss on the ground of lack of cause of action.

In its Order[6] dated February 23, 1995, the trial court denied PNB's motion to dismiss. The order was sent through registered mail and addressed to Atty. Giovanni Manzala at PNB Bldg., Escolta, Manila. PNB claimed it did not receive the trial court's order because Atty. Manzala who temporarily handled the case, no longer held office at Escolta. The case was eventually transferred to Atty. Rolando Torres of PNB, CEPZ Branch Legal Unit of Rosario, Cavite.

On July 5, 1995, petitioners filed a motion to declare private respondent in default for its failure to file an answer within the reglementary period.

On July 17, 1995, respondent PNB filed an opposition and attached its answer with counterclaim. HTML

On July 28, 1995, the trial court issued the order, which denied petitioners' motion to declare respondent PNB in default. Petitioners' motion for reconsideration was similarly denied on September 20, 1995, to wit:

"Pending resolution is plaintiffs' [herein, petitioners] Motion for Reconsideration as well as defendants' [respondent PNB] opposition thereto.

After going over the pleadings and a keen study of existing jurisprudence, this Court subscribes with the Supreme Court's views that it should frown upon technicalities. There is a need for a full-blown trial in this case.

Further, there is no new matters (sic) injected in plaintiffs' motion for reconsideration which will warrant a reversal or setting aside this Court's order dated July 28, 1995.

WHEREFORE, premises considered, plaintiff's Motion for Reconsideration dated August 16, 1995 is hereby denied.

SO ORDERED"[7]

Whereupon, petitioners raised the matter to the Court of Appeals under Rule 65 of the Rules of Court. In its February 14, 1996 decision, the Court of Appeals dismissed the petition for lack of merit.

Hence this petition, raising a single issue:

WHETHER THE RESPONDENT COURT OF APPEALS ERRED IN AFFIRMING THE DECISION OF THE TRIAL COURT AND NOT FINDING THE RESPONDENT IN DEFAULT DESPITE ITS FAILURE TO FILE AN ANSWER WITHIN THE REGLEMENTARY PERIOD PROVIDED FOR BY LAW.

Briefly, petitioners assert that the trial court should have declared the respondent bank in default because PNB's reasons for the delay in filing its answer were inexcusable. The bank was validly served a copy of the February 23, 1995 order denying the motion to dismiss through one of its counsels, Atty. Manzala, who was one of the lawyers on record. It failed to file its answer within the reglementary period. It failed to show that its failure to file its answer within the reglementary period was due to fraud, accident, mistake, or excusable negligence. It had no meritorious defense to warrant the denial of the motion to declare in default. Furthermore, petitioners state that the liberal construction of the Rules of Court does not contemplate inexcusable failure to comply with lawful orders of the Regional Trial Court and the Rules. haideem

Respondent PNB avers that its answer was completed in November 1994, but the submission was deferred, because it waited for the trial court's ruling on its motion to dismiss. Moreover, the court's denial of PNB's motion was mistakenly addressed by the court to Atty. Manzala, instead of Atty. Torres, the officer in charge of the case.

Respondent appellate court emphasized that a liberal construction of the Rules is allowed by this Court to promote speedy, just, and inexpensive determination of every action and proceeding. Under Section 11 of Rule 11[8] of the New Rules of Civil Procedure, it is within the discretion of the trial court to permit the filing of defendant's answer even beyond the reglementary period,[9] provided there is justification for the belated action, and there was no showing that the defendant intended to delay the case. Where the failure of defendant to seasonably file his answer is excusable and will not in any way prejudice the plaintiff's substantial rights, courts apply the Rules liberally and set aside the default order, or deny the motion by the plaintiff. In this case, respondent trial judge found that private respondent had a meritorious defense and the case needed a full-blown trial. Thus, finding no grave abuse of discretion on the part of the trial judge, we agree that the conclusions of the trial court ought not to be disturbed.

We also concur with respondent appellate court that the PNB's failure to plead on time is excusable. Atty. Giovanni Manzala's participation was only limited to the preparation of a Motion for Extension of Time to File an Answer and he only co-signed PNB's answer with counterclaim. It was Atty. Rolando Torres who signed and prepared all the subsequent pleadings of PNB. Although Atty. Manzala's name was included in the pleadings, he

did not sign nor participate in the court's proceedings.

Judgments by default are generally looked upon with disfavor.[10] A default judgment does not pretend to be based upon the merits of the controversy.[11] A judgment by default may amount to a positive and considerable injustice to the defendant; and the possibility of such serious consequences necessitates a careful examination of the grounds upon which the defendant asks that it be set aside. Under the circumstances of this case, respondent appellate court did not err nor gravely abused its discretion when it eschewed technicalities and allowed the parties to litigate. *hustisya*

We note when the trial court denied petitioners' motion to declare respondent in default, petitioners questioned the court's order by filing a petition for certiorari under Rule 65 with the Court of Appeals. Certiorari under Rule 65 is a remedy designed for the correction of errors of jurisdiction and not errors of judgment.[12] As a rule, only jurisdictional questions may be raised in a petition for certiorari, including matters of grave abuse of discretion which are equivalent to lack of jurisdiction. Certiorari is not a substitute for appeal.[13] Any error imputable to the trial court in not declaring a defendant in default can be reviewed in an appeal from the final decision on the merits of the case.[14] If every error committed by the trial court were to be a proper object of review by certiorari, the trial would never come to an end and the appellate courts' dockets would be clogged ad infinitum with the aggrieved parties-litigants filing petitions against every interlocutory order of the trial court.[15] Such a situation could only undermine the proper conduct of litigation before the courts and ought not to be tolerated if we are to enhance the prompt administration of justice at every level of the judicial hierarchy.

WHEREFORE, the petition is DENIED for lack of merit. COSTS against the petitioners.

SO ORDERED. Jksm

Bellosillo, (Chairman), Mendoza, Buena, and De Leon, Jr., JJ., concur.

[1] Rollo, pp. 8-16.

[2] *Id.* at 77.

[3] *Id.* at 180.

[4] Civil Case No. 94-186, Complaint for Annulment of Mortgage with Prayer for the Issuance of a Writ of Temporary Restraining Order and/or Permanent Preliminary Injunction, Rollo, pp. 91-104.

[5] Rollo, pp. 133-140.

[6] *Id.* at 161.

[7] *Id.* at 188.

[8] Sec. 11. Extension of time to plead. -- Upon motion and on such terms as may be just, the court may extend the time to plead provided in these Rules.

The court may also, upon like terms, allow an answer or other pleading to be filed after the time fixed by these Rules. (Formerly Section 7 of Rule 11 of the Rules of Court.)

[9] *Pindañgan Agricultural Co. vs. Estrada*, 89 Phil. 80, 81 (1951), *Banares vs. Flordelisa*, 51 Phil. 786, 788 (1928)

[10] *Trajano vs. Cruz*, 80 SCRA 712, 717 (1977)

[11] Coombs vs. Santos, 24 Phil 446, 449 (1913)

[12] Nocon vs. Hon. F. Geronimo, et al., 101 Phil. 735, 739 (1957)

[13] De Castro vs. Delta Motor Sales Corp., 57 SCRA 344, 347 (1974)

[14] Ibid.

[15] Espiritu vs. Solidum, 52 SCRA 131, 135-136 (1973)

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.