THE HEIRS OF THE LATE PRESIDENT FERDINAND E. MARCOS, PETITIONERS, PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT, RESPONDENT.

G.R. NO. 138894. July 20, 2006

Ponente: PUNO, J.

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PUNO, J.:

This is a petition for review on certiorari filed pursuant to Rule 45 of the 1997 Rules of Civil Procedure which seeks to reverse and set aside the resolution[1] of the Sandiganbayan dated February 15, 1999 which dismissed petitioners' complaint[2] in Civil Case No. 0183 for lack of jurisdiction due to their alleged failure and refusal to pay the correct amount of docket fees.

The antecedent facts are as follows:

On February 28, 1986, former President Corazon C. Aquino issued Executive Order No. 1 creating the respondent Presidential Commission on Good Government (PCGG) as a collegial body to aid the government in the recovery of the ill-gotten wealth amassed by former President Ferdinand E. Marcos, his immediate family, relatives, and close associates, both here and abroad. To accomplish its objectives, the PCGG was granted vast powers including "the takeover or sequestration of all business enterprises and entities owned or controlled by . . . (President Marcos, his family and close associates) during his administration, directly or through nominees, by taking undue advantage of their public office and/or using their powers, authority, influence, connections or relationship."[3]

In connection with these orders of sequestration, freezing or takeover, various civil actions for reconveyance, reversion, accounting, restitution, and damages were instituted by the PCGG in the name of the Republic of the Philippines, against the persons believed to be owners or holders of the property subject thereof. One of them was former Ambassador Roberto S. Benedicto, an alleged crony of the late President Ferdinand E. Marcos, who was impleaded as a co-defendant in Sandiganbayan Civil Case Nos. 0009, 0024 and 0034.

On November 3, 1990, Benedicto and the Republic of the Philippines executed a compromise agreement before this Court whereby they settled their controversy in the aforementioned civil cases. Under the compromise agreement, Benedicto surrendered to the respondent PCGG 51% of his equity in Eastern Telecommunications Philippines, Inc. (ETPI) consisting of 2,652,000 shares of stock which is equivalent to 10.2% of the total capital stock of ETPI.

Alleging ownership over the aforementioned shares which were ceded by Benedicto to the respondent, the petitioners filed with the Sandiganbayan a complaint for declaration of ownership, accounting, and damages against the respondent PCGG on April 17, 1998, praying that the late President Ferdinand E. Marcos and/or his estate be declared the true and lawful owner of such shares, and for the respondent to render a full accounting of said shares, and to pay the petitioners Four Hundred Thousand (P400,000.00) Pesos for moral damages, Four Hundred Thousand (P400,000.00) Pesos for exemplary damages and Two Hundred Thousand (P200,000.00)

Pesos for attorney's fees as well as the costs of the suit. The petitioners paid a filing fee of Four Thousand Eight Hundred Fifty (P4,850.00) Pesos.

On June 29, 1998, the respondent filed its answer[4] and the case was set for pre-trial on October 9, 1998. However, at the scheduled pre-trial conference, the Sandiganbayan held the proceedings in abeyance and invited the attention of the counsel for the petitioners regarding the lack of amount of filing fees paid invoking Section 7 of Rule 141 of the Revised Rules of Court,[5] Section 4 of Republic Act (R.A.) No. 7975[6] and the doctrine laid down in the case of Manchester Development Corporation v. Court of Appeals[7] that the correct amount of filing fees must first be paid, otherwise the court concerned cannot exercise its jurisdiction over the case.

On October 14, 1998, the Sandiganbayan, in open court, issued an order[8] directing petitioners to show cause why the complaint should not be dismissed for lack of jurisdiction due to their alleged nonpayment of the prescribed docket fee, more particularly the additional amount of One Million Three Hundred Twenty-Six Thousand Nine Hundred Fifty-Five (P1,326,955.00) Pesos considering the prayer in the complaint that the ownership of the Two Million Six Hundred Fifty-Two Thousand (2,652,000) shares of stock of ETPI (with a par value of One Hundred [P100.00] Pesos per share) be judicially declared in favor of the petitioners.

Following one request for extension, the petitioners filed their "Response to Show Cause Order dated October 14, 1998,"[9] on November 17, 1998, stating that the application of Section 7 of Rule 141 of the Revised Rules of Court in relation to Section 4 of R.A. No. 7975 would result in an unconstitutional diminution or modification of the petitioners' substantive rights under Section 11 of Presidential Decree (P.D.) No. 1606,[10] which, according to petitioners, had not been expressly nor impliedly repealed by R.A. Nos. 7975 and 8249,[11] which were two later amendatory laws to the jurisdiction of the Sandiganbayan. Furthermore, they contend that even in the absence of any constitutional proscription, the Sandiganbayan is of the same level as the Court of Appeals, thus, Sections 4 and 5[12] of Rule 141 should be applied as to the filing fees to be paid.

On February 15, 1999, the Sandiganbayan issued the assailed resolution dismissing Civil Case No. 0183 for lack of jurisdiction due to the failure of petitioners to pay the proper amount of filing fees.[13]

The petitioners filed their motion for reconsideration[14] on March 10, 1999, and after one request for extension, respondent through counsel filed its comment[15] on April 7, 1999.

The Sandiganbayan, in a resolution[16] dated May 24, 1999, denied petitioners' motion for reconsideration. Hence, this present petition where the petitioners submit that the Sandiganbayan, in dismissing the case, erred as follows:

> A.
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> The inference reached by the Sandiganbayan that the schedule of fees for Regional Trial Courts under Section 7 of Rule 141 applies or should be the one made to apply to it is not readily discernible in Section 4 of R.A. No. 7975.
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> B.
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> Section 4 of R.A. No. 7975 which makes the "Rules of Court promulgated by the Supreme Court" apply to all cases and proceedings filed with the Sandiganbayan" would result in an unconstitutional application of Rule 141 or any section thereof for that matter.
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> C.
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> R.A. Nos. 7579 and 8249 did not expressly repeal Section 11 of P.D. No. 1606.
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> D.

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> Section 11 of P.D. No. 1606 covers even civil cases in light of its forthright and unambiguous terms.
>
> E.
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> There is no glaring inconsistency or repugnancy between Section 11 of P.D. No. 1606 and Section 4 of R.A. No. 7975 for the latter to be deemed to have impliedly repealed the former.
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> F.
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> Even in the absence of any constitutional proscription, it is not Section 7 in particular of Rule 141 as to the legal fees payable to Regional Trial Courts which will apply to all cases or proceedings, civil or criminal, before the Sandiganbayan, but Sections 4 and 5 thereof as to the legal fees payable to the Court of Appeals as the latter and the Sandiganbayan are "of the same level."
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> G.
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> No less than the Honorable Court and recent legislation recognize that both the Court of Appeals and the Sandiganbayan are "of the same level."

As can be culled from the aforementioned assignment of errors, the main issue submitted to this Court for resolution is whether the Sandiganbayan erred in dismissing petitioners' complaint for failure to pay the correct filing fees.

The petition is unmeritorious.

In the 2000 case of Yuchengco v. Republic of the Philippines, et al.,[17] wherein petitioner Yuchengco assailed the Sandiganbayan resolution dismissing his amended complaint-in-intervention for failure to pay the proper docket fee on time, this Court stressed the rule that parties filing civil actions before the Sandiganbayan are liable to pay the required docket fees. We ruled:

> " petitioner's position that subsequent amendments to PD 1606 did not expressly repeal Section 11 thereof is untenable. Petitioner failed to appreciate that the expansion of the Sandiganbayan's jurisdiction to include civil cases impliedly amended the same and Section 1, Rule IV, Part I of the Revised Rules of the Sandiganbayan. Moreover, the Supreme Court enjoys exclusive power to promulgate the rules on pleading, practice, and procedure.
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> In addition, Republic Act No. 7975 amended Section 9 of P.D. 1606 to read as follows:
> Rules of Procedure. - The Rules of Court promulgated by the Supreme Court shall apply to all cases and proceedings filed with the Sandiganbayan. . . .

Hence, Rule 141 Section 7(a) of the Rules of Court applies to petitioner's complaint and/or amended complaints-in-intervention.

When P.D. No. 1606 and Section 11 thereof, which provides that all proceedings in the Sandiganbayan shall be conducted at no cost to the complainant, were issued on December 10, 1978, the jurisdiction of the Sandiganbayan was limited to criminal actions. Since then, R.A. Nos. 7975 and 8249 have expanded the jurisdiction of the Sandiganbayan to include civil cases and resultantly, Section 11 of P.D. No. 1606 should be deemed impliedly amended by the said laws. Thus, Rule 141 of the Revised Rules of Court on Legal Fees must now be observed by parties filing civil actions before the Sandiganbayan.

We also reject petitioners' contention that Sections 4 and 5 of Rule 141 of the Revised Rules of Court on the legal fees payable to the Court of Appeals should apply to the Sandiganbayan, because they are of the same level. Although it could be argued that the Sandiganbayan is of the same level as the Court of Appeals, the Sandiganbayan performs the functions of a trial court and its limited and exclusive appellate jurisdiction covers

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only appeals from the final judgments, resolutions or orders of regional trial courts where all the accused are occupying positions lower than salary grade 27 or not otherwise covered by the enumeration of certain public officers in Section 4 of P.D. No. 1606 as amended by R.A. No. 8249. Since the cognizance of the present case by the Sandiganbayan is in the exercise of its function as a trial court and not of its appellate function, it is Section 7 of Rule 141 that should apply as to the legal fees to be paid.

There is another reason why the petition must fail. In the case of Sun Insurance Office Ltd. v. Hon. Maximiano Asuncion,[18] the Court en banc laid down the following rules as regards the payment of filing fees:

> - It is not simply the filing of the complaint or appropriate initiatory pleading, but [also] the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject-matter or nature of the action. Where the filing of the initiatory pleading is not accompanied by payment of the docket fee, the court may allow payment of the fee within a reasonable time but in no case beyond the applicable prescriptive or reglementary period.
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> - The same rule applies to permissive counterclaims, third-party claims and similar pleadings, which shall not be considered filed until and unless the filing fee prescribed therefor is paid. The court may also allow payment of said fee within a reasonable time but also in no case beyond its applicable prescriptive or reglementary period.
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> - Where the trial court acquires jurisdiction over a claim by the filing of the appropriate pleading and payment of the prescribed filing fee but, subsequently, the judgment awards a claim not specified in the pleading, or if specified the same has been left for determination by the court, the additional filing fee therefor shall constitute a lien on the judgment. It shall be the responsibility of the Clerk of Court or his duly authorized deputy to enforce said lien and assess and collect the additional fee.

The rule is clear. It is not simply the filing of the complaint or appropriate initiatory pleading, but also the payment of the prescribed docket fee, that vests the trial court with jurisdiction over the subject matter or nature of the action.[19] Payment within "a reasonable time" of the prescribed filing fees may be granted by the courts upon equitable considerations but in no case beyond the applicable prescriptive or reglementary period. Since the petitioners in the case at bar seek to recover shares of stock, the ownership and possession of which they have been allegedly wrongfully deprived, assuming hypothetically this averment to be true, the legal relationship of constructive trust was present among the parties concerned.

A constructive trust, otherwise known as an implied trust, is a trust by operation of law which arises contrary to intention and in invitum, against one who, by fraud, actual or constructive, by duress or abuse of confidence, by commission of wrong, or by any form of unconscionable conduct, artifice, concealment, or questionable means, or who in any way against equity and good conscience, either has obtained or holds the legal right to property which he ought not, in equity and good conscience, hold and enjoy.[20] It is a resulting obligation created by law and actions thereon prescribe after ten (10) years as provided by Article 1144 of the Civil Code.[21]

In the instant case, even if we consider the petitioners' right of action for recovery of the shares as having accrued only on November 3, 1990, when Benedicto entered into a compromise agreement with the Republic of the Philippines surrendering the shares in question, or even on the latter period of September 10, 1993, wherein this Court upheld the validity of the compromise agreement, the ten (10)-year prescriptive period has already elapsed. The petitioners, through their belated filing of numerous motions of extensions to file their reply instead of manifesting a willingness to abide by the ruling of the Sandiganbayan on the proper docket fees to be paid, have clearly slept on their rights. Prescription has already set in, thereby barring their right of action.

IN VIEW WHEREOF, the petition is DENIED. The assailed Resolution dated February 15, 1999, of the Fourth

Division of the Sandiganbayan in Civil Case No. 0183, is hereby AFFIRMED.

SO ORDERED.

Sandoval-Gutierrez, Corona, Azcuna, and Garcia, JJ., concur.

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[1]Annex "A," rollo, pp. 33-38; penned by Justice Sabino R. de Leon, Jr., concurred in by Justices Narciso Nario and Rodolfo G. Palattao.

[2] Annex "C," rollo, pp. 40-47.

[3] Executive Order No. 1, Section 2(a).

[4] Annex "D," rollo, pp. 48-51.

[5]Section 7 of Rule 141 of the Revised Rules of Court on filing fees, as amended by Adm. Cir. No. 11-94 which took effect on August 1, 1994, provides:

SECTION 7. Clerks of Regional Trial Courts. -

(a) For filing an action or a permissive counterclaim or money claim against an estate not based on judgment, or for filing with leave of court a third-party, fourth-party, etc. complaint, or a complaint in intervention, and for all clerical services in the same, if the total sum claimed, inclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs, or the stated value of the property in litigation, is:

1. Not more than P100,000.00 P400.00

2. P100,000.00 or more but not more than P150,000.00 P600.00

3. For each P1,000.00, in excess of P150,000.00 P 5.00

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[6] Section 4 of Republic Act No. 7975, entitled "An Act To Strengthen the Functional and Structural Organization of the Sandiganbayan, Amending For That Purpose Presidential Decree No. 1606, As Amended," enacted on March 30, 1995, provides:

SECTION 4. Section 9 of the same Decree is hereby amended to read as follows:

Sec. 9. Rules of Procedure. - The Rules of Court promulgated by the Supreme Court shall apply to all cases and proceedings filed with the Sandiganbayan. The Sandiganbayan shall have no power to promulgate its own rules of procedure, except to adopt internal rules governing the allotment of cases among the divisions, the rotation of justices among them, and other matters relating to the internal operations of the court which shall be enforced until repealed or modified by the Supreme Court.

[7] No. L-75919, May 7, 1987, 149 SCRA 562, 569.

[8] Annex "E," rollo, p. 53.

[9] Annex "F," rollo, pp. 55-72.

[10] Section 11 of Presidential Decree No. 1606 provides:

SECTION 11. Proceedings Free of Charge. - All proceedings in the Sandiganbayan shall be conducted at no cost to the complainant and/or his witnesses.

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[11]Entitled "An Act Further Defining the Jurisdiction of the Sandiganbayan, Amending for the Purpose Presidential Decree No. 1606, as Amended, Providing Funds Therefore, and for Other Purposes," enacted on February 5, 1997.

[12]Sections 4 and 5 of Rule 141 of the Revised Rules of Court, provide:

SECTION 4. Clerks of the Court of Appeals and of the Supreme Court.-

(a) For filing an action, proceeding, appeal by notice or record on appeal when required, entering appearance of the parties, entering orders of the court, filing and docketing all motions, docketing of case on all proper dockets, and indexing the same, entering, recording and certification of judgment and remanding of records to the lower court, taxing and costs, administering all necessary oaths or affirmations in the action or proceeding, recording the opinion of the court, and issuing all necessary process in the action or proceeding not herein otherwise provided for, each action or special proceeding, four hundred (P400.00) pesos;

xxx xxx xxx

SECTION 5. Fees to be paid by the advancing party.-

The fees of the clerk of the Court of Appeals or of the Supreme Court shall be paid him at the time of the entry of the action or proceeding in the court by the party who enters the same by appeal, or otherwise, and the clerk shall in all cases give a receipt for the same and shall enter the amount received upon his book, specifying the date when received, person from whom received, name of action in which received, and amount received. If the fees are not paid, the court may refuse to proceed with the action until they are paid and may dismiss the appeal or action or proceeding.

[13] Annex "A," op. cit., note 1.

[14] Annex "G," rollo, pp. 73-84.

[15] Annex "H," rollo, pp. 85-91.

[16] Annex "B," rollo, p. 39.

[17] G.R. No. 131127, June 8, 2000, 333 SCRA 368.

[18]G.R. Nos. 79937-38, February 13, 1989, 170 SCRA 274, 285.

[19] Lazaro v. Eudencia, et al., 57 Phil. 552 (1932); Lee v. Republic, No. L-15027, January 31, 1964, 10 SCRA 65; Malimit v. Degamo, Nos. L-17850-51, November 28, 1964, 12 SCRA 450; Garcia v. Vasquez, No. L-26808, May 23, 1969, 28 SCRA 330; Magaspi v. Ramolete, No. L-34840, July 20, 1982, 115 SCRA 193; Machester Development Corporation v. Court of Appeals, No. L-75919, May 7, 1987, 149 SCRA 562.

[20] 76 Am Jur 2d 446.

[21] Article 1144 of the Civil Code of the Philippines, on prescription of actions, states:

Art. 1144. The following actions must be brought within ten years from the time the right of action accrues:

(1) Upon a written contract;
(2) Upon an obligation created by law;
(3) Upon a judgment.

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