

MERCEDITA T. GUASCH, PETITIONER, VS. ARNALDO DELA CRUZ, RESPONDENT.

G.R. No. 176015. June 16, 2009

Ponente: PUNO, C.J.

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PUNO, C.J.:

Before us is a Petition for Review[1] on Certiorari under Rule 45 of the Rules of Court to set aside the Decision[2] dated August 31, 2006 of the Court of Appeals which reversed the Order[3] dated September 20, 2005 of the Regional Trial Court, Branch 50, Manila in Criminal Case No. 02-199357.

On November 10, 2000, respondent Arnaldo dela Cruz (respondent) filed a Complaint-Affidavit[4] against petitioner Mercedita T. Guasch (petitioner) with the City Prosecutor of Manila. Respondent alleged that petitioner was his neighbor and kumadre. On several occasions, petitioner transacted business with him by exchanging cash for checks of small amount without interest. On July 26, 1999, petitioner went to his residence requesting him to exchange her check with cash of P3,300,000.00. Initially, he refused. However, petitioner returned the next day and was able to convince him to give her P3,300,000.00 in cash in exchange for her Insular Savings Bank Check No. 0032082 dated January 31, 2000 upon her assurance that she will have the funds and bank deposit to cover the said check by January 2000. On the date of maturity and upon presentment, however, the check was dishonored for the reason that the account against which it was drawn was already closed.

On March 2, 2001, the City Prosecutor of Manila issued a Resolution[5] recommending that an information for estafa be filed against petitioner. On February 7, 2002, the City Prosecutor of Manila filed an Information[6] for estafa against petitioner. The case was docketed as Criminal Case No. 02-199357 and raffled to Honorable William Simon P. Peralta, Presiding Judge of the Regional Trial Court, Branch 50, Manila.

After petitioner entered her plea of not guilty and after the prosecution rested its case, petitioner filed a Motion With Leave To Admit Demurrer to Evidence[7] with attached Demurrer to Evidence[8] on April 1, 2005.

The trial court issued an Order[9] dated June 16, 2005 granting the demurrer to evidence and dismissing the case. The trial court found that respondent's assertion of misrepresentation by petitioner that her check will be fully funded on the maturity date was not supported by the evidence on record. Accordingly, her guilt not having been proven beyond reasonable doubt, petitioner was acquitted.

On June 28, 2005, respondent received a copy of the said order. On July 14, 2005, respondent filed a Manifestation[10] with attached Motion to Amend Order dated June 16, 2005[11] (Motion to Amend) to include a finding of civil liability of petitioner. In the Manifestation, respondent's counsel justified his failure to file the motion within the reglementary period of 15 days because all postal offices in Metro Manila were allegedly ordered closed in the afternoon due to the rally staged on Ayala Avenue.

Meantime, on August 30, 2005, respondent filed a Petition for Certiorari[12] with the Court of Appeals praying that the trial court's Order dated June 16, 2005 granting the demurrer to evidence be set aside.

The trial court denied respondent's Motion to Amend in its Order[13] dated September 20, 2005 finding that counsel for respondent was inexcusably negligent; hence, the Order dated June 16, 2005 has become final and executory. Respondent filed a Motion for Reconsideration[14] but the same was denied by the trial court in its Order[15] dated November 7, 2005.

On December 7, 2005, respondent filed a Notice of Appeal[16] informing the trial court that he was appealing the Order dated September 20, 2005 and the Order dated November 7, 2005. The trial court likewise denied the notice of appeal in an Order[17] dated December 13, 2005.

Consequently, on February 13, 2006, respondent filed a Supplemental Petition for Certiorari[18] with the Court of Appeals to set aside the Order dated September 20, 2005, the Order dated November 7, 2005, and the Order dated December 13, 2005.

On August 31, 2006, the Court of Appeals rendered the assailed Decision.[19] On the issue of whether the issuance of the Order dated June 16, 2005 granting the demurrer to evidence was made with grave abuse of discretion, the Court of Appeals ruled in the negative as it found that the trial court did not anchor the acquittal of petitioner on evidence other than that presented by the prosecution as contended by petitioner. On the issue of whether the denial of respondent's Motion to Amend was tainted with grave abuse of discretion, the Court of Appeals ruled in the affirmative. The Court of Appeals ratiocinated that matters of paramount importance outweigh rules of procedure in this instance. Accordingly, the Court of Appeals ruled as follows:

WHEREFORE, the assailed order dated September 20, 2005 denying petitioner's Motion to Amend Order dated 16 [June] 2005 is hereby SET ASIDE. Public respondent is hereby directed to determine and fix the amount due the petitioner.

SO ORDERED.

Petitioner filed a Motion for Partial Reconsideration[20] arguing that the Court of Appeals erred in ruling that the trial court committed grave abuse of discretion when it denied respondent's Motion to Amend. However, the same was denied by the Court of Appeals in its Resolution[21] dated December 20, 2006.

Hence, this petition.

The lone issue in this case is whether the Court of Appeals erred in holding that the trial court committed grave abuse of discretion when it denied respondent's Motion to Amend.

We affirm the ruling of the Court of Appeals.

Respondent contends that the delay of one day in filing his motion was due to circumstances beyond his control. He submitted a Certification[22] from the Makati Central Post Office stating that it was closed in the afternoon of July 13, 2005 due to the rally along Ayala Avenue per declaration by the City Mayor.

Petitioner, on the one hand, alleges that the denial of respondent's Motion to Amend was due to the inexcusable negligence of respondent's counsel; hence, the trial court did not commit grave abuse of discretion. Furthermore, the Order dated June 16, 2005 granting the demurrer to evidence has become final and executory and the remedy of certiorari cannot be used as a substitute for a lost appeal.

Respondent's counsel received a copy of the Order dated June 16, 2005 granting the demurrer to evidence on June 28, 2005. However, he only filed his Motion to Amend on July 14, 2005 which was one day beyond the 15-day reglementary period to file a motion for reconsideration of final orders of the trial court pursuant to Section 1, Rule 37 of the Rules of Court.

As a general rule, the statutory requirement that when no motion for reconsideration is filed within the reglementary period, the decision attains finality and becomes executory in due course must be strictly enforced as they are considered indispensable interdictions against needless delays and for orderly discharge of judicial business. The purposes for such statutory requirement are twofold: first, to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business, and, second, to put an end to judicial controversies, at the risk of occasional errors, which are precisely why courts exist. Controversies cannot drag on indefinitely. The rights and obligations of every litigant must not hang in suspense for an indefinite period of time.[23]

However, in exceptional cases, substantial justice and equity considerations warrant the giving of due course to an appeal by suspending the enforcement of statutory and mandatory rules of procedure.[24] Certain elements are considered for the appeal to be given due course, such as: (1) the existence of special or compelling circumstances, (2) the merits of the case, (3) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules, (4) lack of any showing that the review sought is merely frivolous and dilatory, and (5) the other party will not be unduly prejudiced thereby.[25]

Several of these elements obtain in the case at bar.

First, there is ostensible merit to respondent's cause. The records show that petitioner admits her civil obligation to respondent. In her *Kontra-Salaysay*, [26] petitioner alleged that she owed respondent a total of P3,300,000.00 as a result of their joint lending business whereby petitioner borrows money from respondent with interest and petitioner, in turn, lends the money to her clients. Respondent did not waive, reserve, nor institute a civil action for the recovery of civil liability. As correctly observed by the Court of Appeals, respondent's actual and active participation in the criminal proceedings through a private prosecutor leaves no doubt with respect to his intentions to press a claim for the unpaid obligation of petitioner in the same action. Hence, since the civil action is deemed instituted with the criminal action, the trial court was duty-bound to determine the civil liability of petitioner pursuant to paragraph 2, Section 2, Rule 120 of the Rules on Criminal Procedure which provides:

SECTION 2. Contents of the judgment. —

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In case the judgment is of acquittal, it shall state whether the evidence of the prosecution absolutely failed to prove the guilt of the accused or merely failed to prove his guilt beyond reasonable doubt. In either case, the judgment shall determine if the act or omission from which the civil liability might arise did not exist. (2a)

Second, it cannot be said that petitioner will be unduly prejudiced if respondent's Motion to Amend for the sole purpose of including the civil liability of petitioner in the order of acquittal shall be allowed. Foremost, petitioner admits her civil obligation to respondent. Respondent concededly has an available remedy even if his Motion to Amend was denied, which is to institute a separate civil action to recover petitioner's civil liability. However, to require him to pursue this remedy at this stage will only prolong the litigation between the parties which negates the avowed purpose of the strict enforcement of reglementary periods to appeal, that is, to put an end to judicial controversies. Not only will that course of action be a waste of time, but also a waste of the resources of both parties and the court as well. We agree with the following observation made by the Court of Appeals:

To sustain the denial of the Motion to Amend the Order of June 16, 2005 on the ground that the private respondent was acquitted and the order of acquittal had already attained its final and executory stage simply because the motion was filed beyond the time fixed by the rules will necessarily constrained (sic) petitioner to institute a separate civil action which in the end results in needless clogging of court dockets and unnecessary duplication of litigation with all its attendant loss of time, effort and money on the part of all concerned.

Finally, the amendment of the order of acquittal for the sole purpose of including therein the civil liability of private complainant will not unduly prejudice her. It bears stressing that private complainant was the first to agree that the transaction is a loan and she never denied but even admitted her debt or obligation to herein petitioner.[27] (Emphasis supplied)

A review of the records below shows that the evidence to make a determination of petitioner's civil liability is already at the disposal of the trial court. For example, the checks covering the amounts owed by petitioner to respondent in the total amount of P3,300,000.00 were already submitted by petitioner to the trial court as Annexes to the Motion to Quash[28] that she filed. Neither can it be said that petitioner's right to due process shall be violated if her civil liability be determined in the same case. In *Padilla v. Court of Appeals*,[29] we held:

There appear to be no sound reasons to require a separate civil action to still be filed considering that the facts to be proved in the civil case have already been established in the criminal proceedings where the accused was acquitted. Due process has been accorded the accused. He was, in fact, exonerated of the criminal charged. The constitutional presumption of innocence called for more vigilant efforts on the part of prosecuting attorneys and defense counsel, a keener awareness by all witnesses of the serious implications of perjury, and a more studied consideration by the judge of the entire records and of applicable statutes and precedents. To require a separate civil action simply because the accused was acquitted would mean needless clogging of court dockets and unnecessary duplication of litigation with all its attendant loss of time, effort, and money on the part of all concerned. (emphasis supplied)

As we ruled in *Gayos v. Gayos*,[30] "it is a cherished rule of procedure that a court should always strive to settle the entire controversy in a single proceeding leaving no root or branch to bear the seeds of future litigation." Given the circumstances in this case, we find that the trial court committed grave abuse of discretion when it denied respondent's Motion to Amend.

IN VIEW WHEREOF, the petition is DENIED. The decision of the Court of Appeals is affirmed. No pronouncement as to costs.

SO ORDERED.

Carpio, Corona, Chico-Nazario,[*] and Leonardo-De Castro JJ., concur.

[*] Additional member per Raffle dated June 8, 2009, vice J. Lucas P. Bersamin who inhibited.

[1] Rollo, pp. 9-18.

[2] Id. at 19-22, 27-33; penned by Associate Justice Mariano C. Del Castillo and concurred in by Associate Justices Lucas P. Bersamin and Normandie B. Pizarro.

[3] Records, pp. 364-366.

[4] Id. at 6-8.

[5] Id. at 2-4.

[6] Id. at 1.

[7] Id. at 310-311.

[8] Id. at 312-319.

- [9] Id. at 328-334.
- [10] Id. at 335-337.
- [11] Id. at 338-342.
- [12] CA rollo, pp. 2-15.
- [13] Records, pp. 364-366.
- [14] Id. at 369-376.
- [15] Id. at 378.
- [16] Id. at 393.
- [17] Id. at 400-401.
- [18] CA rollo, pp. 139-154.
- [19] Supra note 2.
- [20] CA rollo, pp. 233-238.
- [21] Id. at 276.
- [22] Id. at 196.
- [23] Ginete v. Court of Appeals, G.R. No. 127596, September 24, 1998, 296 SCRA 38, 54.
- [24] Philippine National Bank v. Court of Appeals, G.R. No. 108870, July 14, 1995, 246 SCRA 304; Siguenza v. Court of Appeals, G.R. No. L-44050, July 16, 1985, 137 SCRA 570, 576; Gutierrez v. Secretary of Labor, G.R. No. 142248, December 16, 2004, 447 SCRA 107, 122.
- [25] Supra note 23 at 53.
- [26] Records, pp. 12-17.
- [27] Supra note 2 at 31-32.
- [28] Records, pp. 82-94.
- [29] G.R. No. L-39999, May 31, 1984, 129 SCRA 558, 567.
- [30] G.R. No. L-27812, September 26, 1975, 67 SCRA 146, 151.

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