

HEIRS OF RODOLFO CRISOSTOMO (EUPROCINIA, ROYCE AND IRISH CRISOSTOMO), PETITIONERS, VS. RUDEX INTERNATIONAL DEVELOPMENT CORPORATION, RESPONDENT.

G.R. No. 176129. August 24, 2011

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

This Petition for Review on Certiorari[1] seeks to reverse and set aside the October 6, 2006[2] and January 5, 2007[3] Resolutions of the Court of Appeals in CA-G.R. SP No. 95920, which dismissed outright the petitioners' Petition for Review dated September 13, 2006 for being filed one day beyond the 15-day extended period granted by the Court of Appeals.

Petitioners Euprocina, Royce, and Irish, are the wife and children, respectively, of the late complainant, Rodolfo Crisostomo, who died during the pendency of the case. [4]

The respondent, Rudex International Development Corporation, is a domestic corporation engaged in the real estate business.[5]

On December 17, 2001, the Crisostomo spouses were offered a house and lot at Patricia South Villa, a subdivision developed by the respondent in Anabu II-F, Imus, Cavite. After seeing the model house on Block 8, Lot 3, the Crisostomos decided to buy the property priced at ₱833,000.00 on installment basis. On the same day, they paid ₱10,000.00 as down payment and signed a Reservation Agreement. On December 21, 2001, the couple paid an additional ₱50,000.00, executed a promissory note, and issued 36 postdated checks to cover the monthly amortizations on the property. The Crisostomos were then given a Key Acceptance, Walk Through, and Final Turnover Certificate.[6]

On February 10, 2002, the Crisostomo family moved in to their new house; however, they started to notice several construction defects on the house and inadequate facilities in the subdivision. Thus, on March 22, 2002, the late Rodolfo asked his wife Euprocina to discontinue paying their monthly amortizations and to ask for a rescission of the contract. On May 17, 2002, Rodolfo personally delivered a letter of complaint to the respondent, wherein he rescinded their Contract to Sell, demanded the refund of all the payments he had made, and reiterated that he would no longer pay the monthly amortizations.[7]

On May 27, 2002, Rodolfo filed a Complaint[8] for violation of Presidential Decree Nos. 1344 and 957, and Board Resolution No. 579 of 1995, before the Housing and Land Use Regulatory Board (HLURB).

In view of respondent's failure to answer the Complaint, it was declared in default on November 26, 2003.[9]

The HLURB conducted an ocular inspection in Patricia South Villa on March 12, 2003 and found Rodolfo's allegations to be supported by its findings. The HLURB held that under Section 20 of Presidential Decree No. 957, its findings justified the right of Rodolfo to demand rescission of his contract with the respondent. Thus, on July 7, 2003, the HLURB issued its Judgment by Default,[10] the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered declaring the rescission of the contract to sell as valid and ordering the respondent to refund the total payments in the amount of P71,650.00 with interest at 12% per annum from the filing of the complaint until full payment.

After full payment, complainant is directed to peacefully surrender the subject property in favor of the respondent.

Further, respondent is directed to pay complainant P5,000.00 as attorney's fees and to pay this Board P10,000.00 by way of administrative fine for violation of Section 20 in relation to Section 38 of P.D. 957.[11]

On August 26, 2003, the respondent asked the HLURB to review[12] its July 7, 2003 Decision. It alleged that Rodolfo's allegations were concocted to get out of their contract because he could no longer pay his monthly amortizations on the property. On August 17, 2004, the HLURB rendered a Decision[13] on respondent's Petition for Review, to wit:

Wherefore, the decision of the office below is hereby modified to read as follows:

Wherefore premises considered, judgment is hereby rescinding the reservation agreement of parties and subject to legal compensation or offsetting, ordering respondent to refund the total payments in the amount of P71,650.00 with interest at legal interest from the time of the filing of the complaint; ordering complainant to turn over possession of the unit to the respondent and ordering complainant to pay respondent reasonable compensation for the use of the unit in the amount of P4,000.00 per month until possession of the unit is turned over to the respondent.

Further, respondent is directed to pay complainant P5,000.00 as attorney's fees and to pay this board P10,000.00 by way of administrative fine for violation of section 20 in relation to section 38 of P.D. 957.[14]

This was appealed[15] by the petitioners, who substituted Rodolfo upon his death, to the Office of the President. On November 18, 2005, the Office of the President decided[16] in their favor, as follows:

WHEREFORE, premises considered, the Decision of the HLURB Board of Commissioners dated August 23, 2004 is hereby reversed and set aside. Judgment is hereby rendered:

- Declaring the contract of sale entered into between the parties as rescinded;
- Appellants are hereby ordered to turn over possession of the property to the Appellee;
- Appellee is hereby ordered of refund to the appellants the latter's total payment in the amount of P71,650.00 with interest at 12% per annum from June 10, 2002 (time of the filing of the complaint);
- Appellee is likewise ordered to pay appellants P25,000.00 as moral damages and P25,000.00 as exemplary damages;
- Appellee is ordered to pay appellants P5,000.00 as attorney's fees; and
- Appellee is ordered to pay administrative fine in the amount of P10,000.00.[17]

The respondent asked for a reconsideration[18] of this decision and on May 9, 2006, the Office of the President granted respondent's motion and reinstated the August 17, 2004 decision of the HLURB.[19]

The Office of the President, in resolving the issue of whether it properly deleted the previous award of rentals by the HLURB, held that "P.D. [No.] 957 does not authorize oppression of perceived unscrupulous subdivision developers, each time a home buyer cries foul or alleges any infirmity on the former." [20] Agreeing with the respondent that the deletion of the award of rentals would result in unduly enriching the petitioners, the Office of the President held:

By staying at the questioned premises for free and without compensation, to the prejudice of [respondent], it is clear that [petitioners] unduly enriched themselves at the expense of another.

Rental payments are legally supported by virtue of the doctrine of unjust enrichment. Eventhough the same is not prayed for by herein appellee, it could still be recognized and awarded by our Office considering that said issue, or award thereof, is inextricably linked to the issues involved as well as the facts proven in the case, and it is necessary for a just and equitable determination of the case.[21]

The petitioners sought for a reconsideration[22] of this Order,[23] but this was denied by the Office of the President on August 2, 2006.

On September 15, 2006, the petitioners filed their Petition for Review before the Court of Appeals. However, this was dismissed outright in a Resolution[24] for being filed out of time, the deadline being September 14, 2006. The Court of Appeals said that the petitioners were already granted a 15-day extension and yet no justification or reason was given to explain why they still filed beyond the extended period. The Court of Appeals held:

We have no more jurisdiction to entertain the Petition much less to alter the judgment which has become final and executory. We only have the power to dismiss the appeal in the absence of exceptional circumstances to warrant such delay.[25]

The petitioners sought reconsideration of this dismissal but the Court of Appeals found their motion to be "bereft of merit." [26]

The petitioners are now before us, seeking not only that we give their petition due consideration, but also that we declare the HLURB August 17, 2004 Decision as null and void. They submit the following issues for our resolution:

5.1. AN APPEAL IS AN ESSENTIAL PART OF OUR JUDICIAL SYSTEM AND THE COURTS SHOULD PROCEED WITH CAUTION, SO AS NOT TO DEPRIVE THE PETITIONERS OF THE RIGHT TO APPEAL, PARTICULARLY, IF THE APPEAL IS MERITORIOUS.

5.2. THE HLURB APPEAL BOARD HAS NO JURISDICTION MODIFYING THE JUDGMENT OF HLURB PROPER GRANTING RELIEF WHICH WAS NOT PRAYED FOR ALLEGED IN THE PLEADINGS, AND NO EVIDENCE WAS PRESENTED.

5.3. THE HLURB APPEAL BOARD HAS NO JURISDICTION WHEN IT MODIFIED THE JUDGMENT BY DEFAULT OF HLURB PROPER, AND THE OFFICE OF THE PRESIDENT, LIKEWISE HAS ACTED, IN EXCESS OF JURISDICTION WHEN IT AFFIRMED EN TOTO THE DECISION OF THE HLURB APPEAL BOARD.[27]

Discussion

We shall limit our discussion to the core issue of whether or not the Court of Appeals erred in dismissing the petition for review filed by petitioners before it, on the ground that the petition was filed late.

The petitioners are claiming that their one-day delay in filing their petition before the Court of Appeals constitutes excusable negligence in the absence of an intent to delay the administration of justice. The petitioners explained that their petition was ready as early as September 13, 2006, with only the annexes to be attached. Their counsel assigned her secretary to arrange and attach these annexes but without their counsel's knowledge, the secretary did this in a vacant room outside their office. The following day, the secretary, a single mother of two small children, failed to report for work because she had to take her kids to a doctor as they had been sick since she found them home, abandoned by their nanny, the night before. It was only late in the afternoon that the secretary remembered that she forgot to leave instructions about the petition in their office.[28]

The petitioners are asking that this Court exercise its equity jurisdiction since their delay was neither intended nor prejudicial to respondent.[29]

Ruling of this Court

We grant the petition.

This Court has explained that the purpose in limiting the period of appeal is to forestall or avoid an unreasonable delay in the administration of justice and to put an end to controversies. Where no element of intent to delay the administration of justice could be attributed to petitioners, a one-day delay does not justify their petition's dismissal.[30]

In *Department of Justice Secretary Raul M. Gonzales v. Pennisi*,^[31] this Court elucidated on the rules on reglementary periods, to wit:

The general rule is that the perfection of an appeal in the manner and within the period prescribed by law is, not only mandatory, but jurisdictional, and failure to conform to the rules will render the judgment sought to be reviewed final and unappealable. By way of exception, unintended lapses are disregarded so as to give due course to appeals filed beyond the reglementary period on the basis of strong and compelling reasons, such as serving the ends of justice and preventing a grave miscarriage thereof. The purpose behind the limitation of the period of appeal is to avoid an unreasonable delay in the administration of justice and to put an end to controversies.[32]

In *Samala v. Court of Appeals*,^[33] we said:

The rules of procedure are mere tools designed to facilitate the attainment of justice. Their strict and rigid application especially on technical matters, which tends to frustrate rather than promote substantial justice, must be avoided. Even the Revised Rules of Court envision this liberality. Technicality, when it deserts its proper office as an aid to justice and becomes its great hindrance and chief enemy, deserves scant consideration from the courts.[34]

In this case, the last day for filing the petition for review was on September 13, 2006. The petitioners entrusted the drafting of their petition with their counsel, who in turn entrusted the attaching of the required annexes to the petition with her secretary. The secretary resigned from her job sometime later to avoid giving her employer "problems for unexpected absences in the future."^[35] Aside from this, the petitioners also submitted an Affidavit^[36] from the secretary, who narrated her ordeal that day and why she was not able to inform her employer of the whereabouts of the petition. A certification from the doctor of one of the secretary's children was also submitted to prove that the secretary indeed brought her children to the doctor on September 14, 2006, the deadline for filing the petition for review with the Court of Appeals.

In light of the foregoing, we are inclined to give the same consideration in this case pursuant to the rules on justice, equity, and fair play.

WHEREFORE, the petition is GRANTED. The October 6, 2006 and January 5, 2007 Resolutions of the Court of Appeals in CA-G.R. SP No. 95920 are hereby REVERSED and SET ASIDE. CA-G.R. SP No. 95920 is ordered REINSTATED and REMANDED to the Court of Appeals for further proceedings.

SO ORDERED.

Corona, C.J., (Chairperson), Bersamin, Del Castillo, and Villarama, Jr., JJ., concur.

[1] 1997 Rules of Court, Rule 45.

[2] Rollo, pp. 45-46; penned by Associate Justice Celia C. Librea-Leagogo with Associate Justices Rodrigo V. Cosico and Edgardo F. Sundiam, concurring.

[3] Id. at 39-42.

[4] Id. at 10.

[5] Id. at 222.

[6] Id. at 22.

[7] Id. at 23-25.

[8] Id. at 53-62.

[9] Id. at 65-66.

[10] Id. at 93-97.

[11] Id. at 97.

[12] Id. at 98-112.

[13] Id. at 185-188.

[14] Id. at 187.

[15] Id. at 191-220.

[16] Id. at 260-273.

[17] Id. at 272-273.

[18] Id. at 274-282.

[19] Id. at 290-293.

[20] Id. at 291.

[21] Id. at 292.

[22] Id. at 294-309.

[23] Id. at 317.

[24] Id. at 45-46.

[25] Id.

[26] Id. at 40.

[27] Id. at 26.

[28] Id. at 26-27.

[29] Id. at 27.

[30] Philippine Amusement and Gaming Corporation v. Angara, 511 Phil. 486, 498 (2005).

[31] G.R. No. 169958, March 5, 2010, 614 SCRA 292.

[32] Id. at 301.

[33] 416 Phil. 1 (2001).

[34] Id. at 8.

[35] Rollo, p. 51, Resignation Letter.

[36] Id. at 48-49.

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