

FILOMENA L. VILLANUEVA, PETITIONER, VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. No. 188630. February 23, 2011

Ponente: MENDOZA, J.

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MENDOZA, J.:

This is a petition for review on certiorari under Rule 45 filed by petitioner Filomena L. Villanueva (petitioner) seeking to reverse and set aside the (1) November 13, 2008 Resolution[1] of the Court of Appeals (CA) which dismissed her petition for review for lack of jurisdiction; and (2) its June 25, 2009 Resolution[2] denying her motion for reconsideration.

The Facts:

Petitioner was the Assistant Regional Director of the Cooperative Development Authority (CDA) of Region II, a position lower than Salary Grade 27.

Records show that on various dates in 1998, the petitioner and her husband Armando Villanueva (Armando) obtained several loans from the Cagayan Agri-Based Multi-Purpose Cooperative, Inc. (CABMPCI). Armando defaulted in the payment of his own loan. Because of this, CABMPCI, represented by its General Manager, Petra Martinez (Martinez), filed a civil case for collection of sum of money against Armando before the Regional Trial Court of Sanchez Mira, Cagayan (RTC), docketed as Civil Case No. 2607-S. To support its claim, CABMPCI presented a certification, received and signed by petitioner, attesting that she and Armando promised to settle their obligation on or before February 28, 2001.[3]

During the pendency of the civil case before the RTC, Martinez filed an administrative complaint for Willful Failure to Pay Just Debt against petitioner before the CDA. It was docketed as CDA-Administrative Case No. 2002-002.[4]

On October 16, 2001, in Civil Case No. 2607-S, the trial court declared Armando in default and rendered a decision ordering him to pay the total amount of P1,107,210.90, plus fine and interest at the rate of 3% per month and the cost of collection. Armando filed a petition for prohibition before the CA alleging that he should not be made to pay said loan as the same had long been fully paid as shown by 1] Official Receipt No. 141084 in the name of petitioner evidencing payment of the amount of P764,865.25, and 2] the Certification issued by Martinez. When directed to file its comment, CABMPCI failed to comply. Its non-compliance was deemed to have been a waiver to refute the claim of payment contained in the petition.[5] Thus, on October 30, 2002, the CA promulgated a decision nullifying the RTC decision on the ground that the obligation had already been settled.[6]

On December 9, 2002, Martinez filed an administrative case with the Office of the Ombudsman (Ombudsman) charging petitioner with Violation of Section 7(d) in relation to Section 11 of Republic Act (R.A.) No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees.[7]

In the end, the Ombudsman rendered a decision finding petitioner guilty of Grave Misconduct and imposed the

penalty of dismissal with forfeiture of benefits and disqualification for re-employment in the government service.

Petitioner filed a motion for reconsideration but the Ombudsman denied it.

Aggrieved, the petitioner filed a petition for review before the CA. The CA found merit in the petition and reversed and set aside the assailed decision of the Ombudsman. The CA ruled that the Ombudsman erred in applying R.A. No. 6713, without recognizing the fact of membership and its privileges. It further stated that Martinez failed to prove that petitioner had used undue influence in soliciting the loan. It noted that Martinez, in her capacity as the general manager of CABMPCI, allowed the petitioner to obtain a loan, much less obtain a passbook, although she was allegedly not qualified to become a member.[8]

Martinez filed a motion for reconsideration while the Ombudsman filed an Omnibus Motion to Intervene and For Reconsideration. The CA denied both motions in its August 8, 2005 Resolution.[9]

Aside from those cases, a criminal case was also filed against the petitioner for violation of Section 2(d) of R.A. No. 6713 before the Municipal Circuit Trial Court of Claveria, Cagayan (MCTC), docketed as Criminal Case No. 3111-CL.

On March 24, 2006, the MCTC promulgated its decision in Criminal Case No. 3111-CL convicting the petitioner and imposing the penalty of five (5) years of imprisonment and disqualification to hold office (Section 11, R.A. No. 6713).

Petitioner appealed the MCTC Decision to the Regional Trial Court of Sanchez Mira, Cagayan (RTC). The case was docketed as Criminal Case No. 3082. On November 22, 2007, the RTC affirmed the MCTC Decision.

Aggrieved, petitioner filed a petition for review before the CA.

The Office of the Solicitor General (OSG) then filed a Manifestation and Motion contending that the Sandiganbayan had exclusive appellate jurisdiction over the petition.

Petitioner, in her Comment, argued that the issue of jurisdiction could not be raised for the first time before the CA in view of the failure of the Provincial Prosecutor to bring out the same when she appealed the MCTC Decision to the RTC. She claimed to have availed of the remedy provided under Rule 122 of the Rules of Court in good faith. Finally, she contended that the essence of true justice would be served if the case would be decided on the merits.

The CA, however, agreed with the OSG. In its November 13, 2008 Resolution,[10] the CA dismissed the petition. The CA made the following justification:

- (1) At the time petitioner committed the crime charged, she was holding a position lower than salary grade "27." The Sandiganbayan shall exercise exclusive appellate jurisdiction over final judgments, resolutions or orders of regional trial courts whether in the exercise of their own original jurisdiction or of their appellate jurisdiction. (CA cited *Moll v. Buban*, G.R. No. 136974, August 27, 2002);
- (2) The OSG had timely raised the issue of lack of jurisdiction considering that the law does not contemplate the remedy of appeal from the decision of the MTCC [sic] directly to the Sandiganbayan; and
- (3) Petitioner's good faith and the merits of her case cannot in any way vest CA with jurisdiction.

After the CA denied petitioner's motion for reconsideration on June 25, 2009, she filed the subject petition for review on certiorari under Rule 45.

On October 14, 2009, the Court resolved to deny the petition[11]. Thus:

The Court resolves to NOTE petitioner's Compliance and Explanation dated 22 September 2009 with Resolution dated 12 August 2009, apologizing to this Court for the clerical error on the date mentioned in paragraph 2 of the affidavit of service of the motion for extension of time to file petition for review on certiorari which was typed as 21 July 2009 instead of 23 July 2009, and submitting documents relative thereto.

Acting on the petition for review on certiorari assailing the Resolutions dated 13 November 2008 and 25 June 2009 of the Court of Appeals in CA-G.R. CR No. 31240, the Court further resolves to DENY the petition for failure to sufficiently show that the appellate court committed any reversible error in the challenged resolutions as to warrant the exercise by this Court of its discretionary appellate jurisdiction.

Moreover, pursuant to Rule 45 and other related provision of the 1997 Rules of Civil Procedure, as amended, governing appeals by certiorari to the Supreme Court, only petitions which comply strictly with the requirements specified therein shall be entertained. Herein petitioner failed to state the material date of filing of the motion for reconsideration of the assailed resolution in violation of Section 4[b] and 5, Rule 45 in relation to Section 5[d], Rule 56.

The petitioner filed a motion for reconsideration but it was denied by the Court on February 1, 2010.[12]

On March 29, 2010, petitioner filed her Motion for Leave and to Admit attached Second Motion for Reconsideration.[13]

On April 28, 2010,[14] the Court granted said motion and further resolved to: (1) grant the motion and set aside the Resolution dated October 14, 2009; and (2) reinstate the petition and require the OSG to comment thereon within 10 days from notice.

The OSG then filed a Manifestation and Motion[15] stating, among others, that it is the Sandiganbayan which has exclusive appellate jurisdiction over petitioner's case, thus, it is the Office of the Special Prosecutor (OSP) that has the duty and responsibility to represent the People in cases within the jurisdiction of the Sandiganbayan and in all cases elevated from the Sandiganbayan to the Supreme Court. The OSG prayed that: (1) the Manifestation be noted; (2) it be excused from further participating in this case; (3) petitioner be ordered to furnish the OSP with a copy of the petition together with its annexes; and (4) the OSP be given a fresh period within which to file its comment.

On August 25, 2010, the Court resolved to: (1) note the OSG's Manifestation and Motion and grant its prayer to be excused from further participating in the present case; (2) direct the Division Clerk of Court to furnish the OSP with a copy of the petition and its annexes; and (3) require the OSP to file a comment on the petition within ten (10) days from receipt of copy of the petition and its annexes.[16]

Eventually, the OSP filed its Comment.[17] Primarily, it pointed out that the dismissal of petitioner's appeal by the CA was proper as it was indeed the Sandiganbayan which has jurisdiction over the case; that the negligence of counsel binds the client; and that the right to appeal is a mere statutory privilege and may be exercised only in the manner prescribed by law. As the petitioner failed to perfect her appeal in accordance with law, the RTC resolution affirming the MCTC Decision was rendered final and executory.

The Court's Ruling

There is no quibble that petitioner, through her former counsel, had taken a wrong procedure. After the RTC rendered an adverse decision, she should have sought relief from the Sandiganbayan in conformity with R.A. No. 8249.[18] Under R.A. No. 8249, the Sandiganbayan shall exercise exclusive appellate jurisdiction over final judgments, resolutions or orders of regional trial courts whether in the exercise of their own original jurisdiction or of their appellate jurisdiction as herein provided. Thus:

Sec. 4. Jurisdiction. -- The Sandiganbayan shall exercise exclusive original jurisdiction in all cases involving:

A. Violations of Republic Act No. 3019, as amended, otherwise known as the Anti-Graft and Corrupt Practices Act, Republic Act No. 1379, and Chapter II, Section 2, Title VII, Book II of the Revised Penal Code, where one or more of the accused are officials occupying the following positions in the government, whether in a permanent, acting or interim capacity, at the time of the commission of the offense:

x x x x x x x x

In cases where none of the accused are occupying positions corresponding to Salary Grade '27' or higher, as prescribed in the said Republic Act No. 6758, or military and PNP officer mentioned above, exclusive original jurisdiction thereof shall be vested in the proper regional trial court, metropolitan trial court, municipal trial court, and municipal circuit trial court, as the case may be, pursuant to their respective jurisdictions as provided in Batas Pambansa Blg. 129, as amended.

The Sandiganbayan shall exercise exclusive appellate jurisdiction over final judgments, resolutions or orders of regional trial courts whether in the exercise of their own original jurisdiction or of their appellate jurisdiction as herein provided. (Emphases supplied)[19]

Pursuant thereto, the Sandiganbayan promulgated its own internal rules. Section 2, Rule XI, Part III of the Revised Internal Rules of the Sandiganbayan reads:

SEC. 2. Petition for Review. - Appeal to the Sandiganbayan from a decision of the Regional Trial Court in the exercise of its appellate jurisdiction shall be by a Petition for Review under Rule 42 of the 1997 Rules of Civil Procedure.

This was strictly applied by the Court in the cases of *Melencion v. Sandiganbayan*[20] and *Estarija v. People*,[21] where it ruled that the CA committed no grave abuse of discretion in dismissing the petitions erroneously filed before it.

Thus, in this case, the CA was correct in dismissing the appeal for lack of jurisdiction. Section 2 of Rule 50 of the 1997 Revised Rules of Court provides, among others, that "an appeal erroneously taken to the Court of Appeals shall not be transferred to the appropriate court but shall be dismissed outright." This has been the consistent holding of the Court.

The peculiar circumstances of the case, however, constrain the Court to reconsider its position and give the petitioner a chance to bring her case to the Sandiganbayan. The Court notes that the CA eventually decided the administrative case filed against petitioner in her favor.[22] This administrative case (where only substantial evidence is required) is so intertwined with this criminal case (where evidence beyond reasonable doubt is required). The CA pointed out that Martinez had issued an Official Receipt and Certification that petitioner had indeed paid her loan. The said receipt was signed by Martinez herself as the General Manager of CABMPCI, attesting to the payment of the loan.[23] The CA further ruled that Martinez failed to prove that the petitioner exerted undue influence in obtaining the loans.

Records also bear out that the earlier civil case against Armando, the petitioner's husband, was also finally resolved in his favor since the obligation had already been settled.[24] This civil case is also intertwined with the administrative and criminal cases filed against petitioner.

Thus, it appears that the filing of the criminal case against petitioner was merely an afterthought considering that the civil case against her husband and the administrative case against her were resolved in the couple's favor.

In light of what has been shown, the Court is inclined to suspend the rules to give the petitioner a chance to seek relief from the Sandiganbayan. The Court likewise makes exception to the general rule that the mistakes and

negligence of counsel bind the client. Doubtless, the filing of the appeal before the CA by the petitioner's former counsel was not simple negligence. It constituted gross negligence.

It bears stressing at this point, that the rule which states that the mistakes of counsel bind the client may not be strictly followed where observance of it would result in outright deprivation of the client's liberty or property, or where the interests of justice so require. In rendering justice, procedural infirmities take a backseat against substantive rights of litigants. Corollarily, if the strict application of the rules would tend to frustrate rather than promote justice, this Court is not without power to exercise its judicial discretion in relaxing the rules of procedure.[25] The Court takes note of settled jurisprudence which holds that:

The function of the rule that negligence or mistake of counsel in procedure is imputed to and binding upon the client, as any other procedural rule, is to serve as an instrument to advance the ends of justice. When in the circumstances of each case the rule desert[s] its proper office as an aid to justice and becomes its great hindrance and chief enemy, its rigors must be relaxed to admit exceptions thereto and to prevent a manifest miscarriage of justice.

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The court has the power to except a particular case from the operation of the rule whenever the purposes of justice require it.[26]

The Court also takes note that the petitioner has no participatory negligence. The resulting dismissal by the CA was utterly attributable to the gross negligence of her counsel. For said reason, the Court is not averse to suspending its own rules in the pursuit of justice. "Where reckless or gross negligence of counsel deprives the client of due process of law, or when its application will result in outright deprivation of the client's liberty or property or where the interests of justice so require, relief is accorded to the client who suffered by reason of the lawyer's gross or palpable mistake or negligence." [27]

"Aside from matters of life, liberty, honor or property which would warrant the suspension of the rules of the most mandatory character and an examination and review by the appellate court of the lower court's findings of fact, the other elements that are to be considered are the following: (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) a lack of any showing that the review sought is merely frivolous and dilatory, (5) the other party will not be unjustly prejudiced thereby." [28] All these factors are attendant in this case. In the case of *Tiangco v. Land Bank of the Philippines*, [29] it was written:

Dismissal of appeals on purely technical grounds is not encouraged. The rules of procedure ought not to be applied in a very rigid and technical sense, for they have been adopted to help secure, not override, substantial justice. Judicial action must be guided by the principle that a party-litigant should be given the fullest opportunity to establish the merits of his complaint or defense rather than for him to lose life, liberty, honor or property on technicalities. When a rigid application of the rules tends to frustrate rather than promote substantial justice, this Court is empowered to suspend their operation.

Petitioner's liberty here is at stake. The MCTC convicted her and imposed upon her the penalty of five (5) years imprisonment and the disqualification to hold office. This MCTC decision was affirmed by the RTC.[30] If she has to suffer in prison, her guilt must be established beyond reasonable doubt, availing all the remedies provided for under the law to protect her right. It is highly unjust for her to lose her liberty only because of the gross negligence of her former counsel.

With the dismissal of the administrative case against the petitioner, it is in the interest of substantial justice that the criminal case against her should be reviewed on the merits by the proper tribunal following the appropriate

procedures under the rules. Our legal culture requires the presentation of proof beyond reasonable doubt before any person may be convicted of any crime and deprived of his life, liberty or even property, not merely substantial evidence. It is not enough that the evidence establishes a strong suspicion or a probability of guilt. The primary consideration is whether the guilt of an accused has been proven beyond reasonable doubt. It has been consistently held that:

In a criminal case, the accused is entitled to an acquittal, unless his guilt is shown beyond doubt. Proof beyond reasonable doubt does not mean such a degree of proof as, excluding possibility of error, produces absolute certainty. Moral certainty only is required, or that degree of proof which produces conviction in an unprejudiced mind. On the whole, the meager evidence for the prosecution casts serious doubts as to the guilt of accused. It does not pass the test of moral certainty and is insufficient to rebut the constitutional presumption of innocence.[31]

At this juncture, the Court takes opportunity to state that it is not countenancing the inexcusable negligence committed by petitioner's former counsel, Atty. Santos M. Baculi, in handling petitioner's case. He is, accordingly, warned to be more careful and meticulous in the discharge of his duties to his clients.

It need not be overemphasized that the trust and confidence necessarily reposed by clients in their counsel requires from the latter a high standard and appreciation of his duty to his clients, his profession, the courts and the public. Every lawyer should, therefore, serve his client in a meticulous, careful and competent manner. He is bound to protect the client's interests and to do all steps necessary therefor as his client reasonably expects him to discharge his obligations diligently.[32]

WHEREFORE, the petition is GRANTED. The Resolutions of the Court of Appeals in CA-G.R. CR No. 31240 dated November 13, 2008 and June 25, 2009, are hereby SET ASIDE. In the interest of justice, petitioner Filomena L. Villanueva is given the chance to file the necessary petition for review before the Sandiganbayan, within ten (10) days from receipt hereof.

SO ORDERED.

Carpio (Chairperson), Nachura, Peralta, and Abad, JJ., concur.

[1] Rollo, pp. 32-35. Penned by Associate Justice Magdangal M. de Leon with Associate Justice Josefina Guevara-Salonga and Associate Justice Ramon R. Garcia, concurring.

[2] Id. at 36-37.

[3] Id. at 40.

[4] Id.

[5] Id.

[6] Id. at 12, 40.

[7] Id. at 41, 210-213.

[8] Id. at 38-46.

[9] Id. at 47.

[10] Id. at 32-35.

[11] Id. at 66-67.

[12] Id. at 86.

[13] Id. at 88-116.

[14] Before the effectivity of the new Internal Rules of the Supreme Court (May 4, 2010).

[15] Rollo, pp. 119-127.

[16] Id. at 128-129.

[17] Id. at 184-210.

[18] "An Act Further Defining the Jurisdiction of the Sandiganbayan, Amending for the Purpose Presidential Decree No. 1606, as Amended, Providing Funds Thereof, and for other Purposes."

[19] See the case of *Moll v. Hon. Buban*, 436 Phil. 627, 635-636 (2002).

[20] G.R. No. 150684, June 12, 2008, 554 SCRA 345.

[21] G.R. No. 173990, October 27, 2009, 604 SCRA 464.

[22] Rollo, pp. 38-46.

[23] Id. at 45.

[24] Id. at 40.

[25] See the case of *Rutaquio v. Court of Appeals*, G.R. No. 143786, October 17, 2008, 569 SCRA 312, 320.

[26] *Aguilar v. CA*, 320 Phil. 456, 462 (1995).

[27] *People v. Almendras*, 449 Phil. 587, 609 (2003).

[28] *Sanchez v. Court of Appeals*, 452 Phil 665, 674 (2003); and *Ginete v. Court of Appeals*, 357 Phil. 36, 54 (1998).

[29] G.R. No. 153998, October 6, 2010.

[30] Rollo, pp. 49-50.

[31] *People v. Bansil*, 364 Phil. 22, 34 (1999).

[32] *Villaflores v. Limos*, A.C. No. 7504, November 23, 2007, 538 SCRA 140, 148.

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