

## SECOND DIVISION

[ G.R. No. 222538, June 21, 2017 ]

**EDUARDO N. RIGUER, PETITIONER, VS. ATTY. EDRALIN S. MATEO, RESPONDENT.**

### DECISION

**MENDOZA, J.:**

This petition for review on *certiorari* seeks to reverse and set aside the April 13, 2015 Decision<sup>[1]</sup> and the September 3, 2015<sup>[2]</sup> and January 14, 2016<sup>[3]</sup> Resolutions of the Court of Appeals (CA) in CA-G.R. SP No. 136297, which upheld the June 2, 2014 Decision<sup>[4]</sup> of the Regional Trial Court, Branch 28, Cabanatuan City (RTC). The RTC affirmed the July 26, 2013 Decision<sup>[5]</sup> of the Municipal Trial Court in Cities, Cabanatuan City (MTCC), in a case involving attorney's fees.

#### The Antecedents

Sometime in 2002, petitioner Eduardo N. Riguer (*Riguer*) engaged the services of respondent Atty. Edralin S. Mateo (*Atty. Mateo*) to represent him in civil and criminal cases involving a parcel of land covered by Transfer Certificate of Title (TCT) No. 12112. They agreed that the compensation for Atty. Mateo's legal services would be the acceptance fee, appearance fee, and pleading fees, which Riguer religiously paid.<sup>[6]</sup>

On January 16, 2007, the RTC rendered a judgment favorable to Riguer in the civil case. During the pendency of the appeal, Atty. Mateo was able to make him sign a document entitled "*Kasunduan*."<sup>[7]</sup> The said document stated that Riguer agreed to pay Atty. Mateo the following: a) P30,000.00 as reimbursement for the latter's expenses in the civil case; b) P50,000.00 in case of a favorable decision in the civil case; and c) P250,000.00 once the land covered by TCT No. 12112 was sold.<sup>[8]</sup>

On May 21, 2009, the appeal was decided in favor of Riguer, prompting Atty. Mateo to demand payment of the fees agreed upon in the *Kasunduan*. Riguer refused to pay.

After two (2) years or on May 30, 2011, Atty. Mateo filed a Complaint for Collection of Attorney's Fees with Urgent Prayer for Issuance of Preliminary Attachment before the MTCC.

#### *The MTCC Ruling*

In its July 26, 2013 decision, the MTCC ruled in favor of Atty. Mateo and ordered Riguer to pay him P250,000.00 with six percent (6%) interest as attorney's fees and P5,494.50 as costs of suit. It opined that the *Kasunduan* bound Riguer as he never

denied signing the same. The MTCC disregarded his claim that he was unaware that he had signed the said document as it was lumped with other documents to be signed for the appeal. It found that at the time the *Kasanduan* was executed, no appeal had yet been made as the trial court had not yet rendered a decision in the civil case. In addition, it imposed legal interest at the rate of six percent (6%) *per annum* pursuant to Article 2209 of the Civil Code. The MTCC disposed the case in this wise:

WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff Atty. Edralin S. Mateo as against the defendant Eduardo N. Riguer as follows:

1. Ordering the defendant Eduardo Riguer to pay the plaintiff the amount of TWO HUNDRED FIFTY THOUSAND PESOS (Php250,000.00) with 6% legal interest commencing from the date of judicial demand or the filing of this case on May 30, 2011, until the finality of this Decision. The total amount due inclusive of interest shall further earn 6% interest until the whole obligation has been paid; and
2. Ordering the defendant Eduardo Riguer to pay the plaintiff the cost of this suit in the amount of FIVE THOUSAND FOUR HUNDRED NINETY-FOUR PESOS AND FIFTY CENTAVOS (Php5,494.50).

SO ORDERED.<sup>[9]</sup>

Aggrieved, Riguer appealed to the RTC.

#### *The RTC Ruling*

In its June 2, 2014 Decision, the RTC concurred with the MTCC. It held that the *Kasunduan* bound Riguer and that the latter's claim that the said document was inserted in the voluminous documents he signed for the appeal was mere speculation. Further, the RTC ruled that the attorney's fees in the amount of P250,000.00 were just and equitable on the basis of *quantum meruit*. Likewise, it held that Atty. Mateo could rightfully recover the costs of suit as he was constrained to litigate to enforce his claim for attorney's fees. The RTC decreed:

WHEREFORE, premises considered, let the above-entitled appealed case be DISMISSED with prejudice for lack of merit. The decision in Civil Case No. 19388 dated July 26, 2013 rendered by the MTCC - Branch 1, Cabanatuan City is hereby affirmed *in toto*.

SO ORDERED.<sup>[10]</sup>

Undeterred, Riguer appealed before the CA.

#### *The CA Ruling*

In its April 13, 2015 Decision, the CA sustained the RTC decision. The appellate court disagreed that Atty. Mateo merely inserted the *Kasunduan* in the voluminous documents of the appealed civil case as the document was signed a month before the trial court had rendered its decision. Hence, there was no appeal to speak of yet. Further, the CA added that even if the *Kasunduan* was void, Atty. Mateo was still

entitled to attorney's fees on the basis of *quantum meruit*. It noted that Riguer's claim that the P250,000.00 was grossly disproportionate to the selling price of the land in the amount of P600,000.00 was only presented for the first time on appeal. Thus, the CA ruled:

ACCORDINGLY, this petition is DENIED and the Decision dated June 2, 2014, AFFIRMED.

SO ORDERED.<sup>[11]</sup>

Riguer moved for reconsideration, but his motion was denied by the CA in its September 3, 2015 Resolution for being filed out of time. He filed another motion for reconsideration, but it was again denied by the CA in its January 14, 2016 Resolution as a second motion for reconsideration was prohibited pursuant to Section 2, Rule 52 of the Rules of Court.

Hence, this petition.

## **ISSUES**

### **I**

**WHETHER RIGUER'S MOTION FOR RECONSIDERATION FOR THE APRIL 13, 2015 CA DECISION WAS TIMELY FILED.**

### **II**

**WHETHER ATTY. MATEO IS ENTITLED TO RECOVER P250,000.00 IN ATTORNEY'S FEES PURSUANT TO THE *KASUNDUAN*.**

Riguer insists that the CA erred in ruling that the first motion for reconsideration was filed out of time. He faults the CA in reckoning the 15-day period to file a motion for reconsideration from May 15, 2015, or the date his former counsel allegedly received the notice of the April 13, 2015 decision. Riguer explained that the notice was received by a certain Marisol Macaldo (*Macaldo*). He asserts that Macaldo never worked for the law firm which previously represented him because she was a former helper of the father of one of the lawyers in the said law firm. Thus, Riguer concludes that the service of the notice was defective as it was never served at the office of his counsel but at the latter's family home. Likewise, he dismisses the CA's ruling that his motion for reconsideration of the September 3, 2015 resolution was a second motion for reconsideration because it raised a different issue.

Further, Riguer stresses that he was misled in signing the *Kasunduan* as it was included in the voluminous documents for appeal. He asserts that Atty. Mateo took advantage of his lack of education and advanced age in making him sign it. Riguer points out that he paid the P30,000.00 and P50,000.00 embodied in the *Kasunduan* as Atty. Mateo verbally required him to do so. He insists that the said document belied the true intent of the parties and that the P250,000.00 attorney's fees was unreasonable.

In his Comment,<sup>[12]</sup> dated July 29, 2016, Atty. Mateo countered that the CA correctly denied Riguer's first motion for reconsideration because the explanation of

his counsel was unjustified. He claimed that the certification of the Postmaster proved that the decision was properly served on Riguer's counsel at the address indicated in the records.

Moreover, Atty. Mateo asserted that even if technicalities were to be brushed aside, the petition still failed to impress because the same raised questions of fact, which were beyond the ambit of a petition for review under Rule 45. Likewise, he stated that the courts *a quo* were right in awarding the attorney's fees because they were in accordance with the written contract assented to by Riguer. Atty. Mateo claimed that the P250,000.00 attorney's fees was appropriate, considering that Riguer's property was valued at around P3 million at the time the contract was executed. He pointed out that Riguer could not rely on the deed of sale as basis to reduce the award because the same was fictitious, elaborating that it was common not to indicate the accurate price of the property sold to lessen the tax to be levied from the sale.

In his Reply,<sup>[13]</sup> dated November 14, 2016, Riguer reiterated that it had been sufficiently established that the person who received the CA decision was never authorized by his counsel to do so. He asserted that Atty. Mateo's claim that the property was valued at P3 million was unsubstantiated. Riguer persisted that the price indicated in the notarized deed of sale was controlling as it was a public document.

### **The Court's Ruling**

The petition is partially meritorious.

Under Section 9, Rule 13 of the Rules of Court, service of judgments, final orders or resolutions may be served either personally or by registered mail. In relation thereto, service by registered mail shall be made by depositing the copy in the post office in a sealed envelope addressed to the party or his counsel at his office, if known, otherwise at his residence, if known.<sup>[14]</sup>

The CA was correct in reckoning the 15-day period to file a motion for reconsideration from May 15, 2015, when Macaldo received a copy of the decision, and not May 18, 2015, when Riguer's former counsel was allegedly informed by his mother about the decision. Thus, the motion for reconsideration was filed out of time as it was done only on June 2, 2015. As pointed out by the CA, the Philippine Postal Corporation certified that a copy of the April 13, 2015 decision was received by Riguer's counsel through Macaldo.

#### *Rules of procedure relaxed in the interest of substantial justice*

The procedural lapses, notwithstanding, the Court may still entertain the present appeal. Procedural rules may be disregarded by the Court to serve the ends of substantial justice. Thus, in *CMTC International Marketing Corporation v. Bhagis International Trading Corporation*,<sup>[15]</sup> the Court elucidated:

Time and again, this Court has emphasized that procedural rules should be treated with utmost respect and due regard, since they are designed to facilitate the adjudication of cases to remedy the worsening problem of