

SECOND DIVISION

[G.R. No. 193346, February 06, 2012]

**PHILIPPINE NATIONAL BANK, PETITIONER, VS. SPOUSES
ROGELIO AND EVELYN ROQUE, RESPONDENTS.**

R E S O L U T I O N

REYES, J.:

The Case

The present case is a Petition for Review on *Certiorari*^[1] under Rule 45 of the 1997 Rules of Civil Procedure filed by petitioner Philippine National Bank (PNB), praying for the grant of the petition and the reversal of the Court of Appeals' (CA) November 26, 2009 Decision^[2] and July 29, 2010 Resolution^[3] in CA-G.R. SP No. 01625-MIN.

Antecedent Facts

Respondents Spouses Rogelio and Evelyn Roque (Spouses Roque) executed real estate mortgages over two (2) lots in Valencia City, Bukidnon and three (3) lots in Cagayan de Oro City to secure all loans they have incurred from petitioner PNB. On August 31, 2001, the respondents' entire obligation covered by the mortgages reached P16,534,803.29.^[4]

However, the respondents failed to pay their loans upon maturity. Hence, on November 21, 2002, PNB filed before the Regional Trial Court (RTC) of Cagayan de Oro City a petition for extrajudicial foreclosure of the mortgaged properties located therein. The next day, PNB also filed a similar petition in the RTC, Malaybalay City, Bukidnon for the extrajudicial foreclosure of the mortgaged properties located in Valencia City. After the parties were duly notified, two (2) separate public auctions, one for the properties in Cagayan de Oro City (first foreclosure sale) and another for the properties in Valencia City (second foreclosure sale), were held on January 15, 2003.^[5]

For the properties located in Cagayan de Oro City, PNB submitted a bid of P16,534,803.29, equivalent to the amount of the indebtedness as of August 31, 2001. PNB submitted the same amount as its bid for the Valencia City properties. Thus, the total amount of PNB's bid reached P33,069,606.58. Since PNB was the sole bidder and mortgagee in both extrajudicial foreclosure sales, all of the properties were sold to the bank. Two separate Certificates of Sale were issued to the petitioner.^[6]

On October 23, 2003, the respondents filed a "Complaint for Annulment of Sale, Cancellation of Certificate of Sale, Injunction and

Damages” against PNB before the RTC of Malaybalay City. They sought to annul the second foreclosure sale covering the properties in Valencia City, because the principal obligation was already extinguished when PNB bought the Cagayan de Oro City properties in the first foreclosure sale.^[7] During pre-trial, the respondents admitted the amount of their indebtedness as of January 15, 2003 at P22,230,269.57, while PNB also admitted that it made a bid for the total amount of P33,069,606.58.^[8]

However, while PNB admitted the total amount of its bid, it claimed making a mistake in its bid for the Valencia City properties. It should have offered P4,785,000.00 only for the second foreclosure sale. PNB argued that it even sent a letter dated January 15, 2003 to the Clerk of Court and *Ex-Officio* Sheriff of the RTC of Malaybalay City to correct its alleged mistake. The said letter, however, was only received on August 5, 2003 and the correction was not accepted since a certificate of sale had already been issued. PNB admitted that it took no action to contest the second foreclosure sale despite its supposed mistake.^[9]

On December 19, 2005, the trial court ruled that both foreclosure sales were valid and directed PNB to return the balance of the proceeds of the two sales to the respondents, amounting to P10,839,337.01, including legal interest.^[10]

On January 23, 2006 or six (6) days after its receipt of the December 19, 2005 Resolution of the RTC Malaybalay City, PNB filed a Motion for Reconsideration,^[11] which was denied by the trial court in an Order^[12] dated May 3, 2006. PNB received the said order on June 19, 2006.^[13]

PNB then filed a Notice of Appeal^[14] on June 27, 2006, alleging among other matters, that the docket and other lawful fees therefore had been paid through PNB's Manager's Check, payable to the Office of the Clerk of Court of the RTC Malaybalay City in the amount of P3,330.00. The respondents filed a motion to disallow the notice of appeal^[15] on the grounds of the late filing of the same and of the petitioner's failure to pay the appeal fees.

The trial court in a Resolution dated November 7, 2006,^[16] disallowed the notice of appeal because of the petitioner's failure to pay the required docket fees within the reglementary period, resulting in the non-perfection of the appeal. After its Motion for Reconsideration^[17] was also denied,^[18] PNB filed with the CA a Petition for *Certiorari* with Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction^[19] under Rule 65 of the Rules of Court. The said petition was subsequently denied *via* the CA Decision^[20] dated November 26, 2009 and Resolution^[21] dated July 29, 2010 for failure of petitioner PNB to show evidence of grave abuse of discretion on the part of the trial court.

Hence, this petition.

The Issues

From the issues petitioner PNB raised, we have deduced the following issues for our

consideration:

I.

WHETHER OR NOT THE RULES ON APPEAL, PARTICULARLY PERFECTION OF APPEAL, SHOULD BE LIBERALLY CONSTRUED, CONSIDERING THE PETITIONER'S CLAIM OF VALID AND JUSTIFIABLE REASONS FOR THE DELAY IN THE PAYMENT OF THE APPEAL FEES.

II.

WHETHER OR NOT THE SUBJECT FORECLOSURE SALE IS VALID.

III.

WHETHER OR NOT THE RULING OF THE TRIAL COURT IS INCONSISTENT WITH THE CAUSES OF ACTION AND PRAYER OF SPOUSES ROQUE IN THEIR COMPLAINT.

Our Ruling

After carefully reviewing the records of the case, we resolve to deny the petition.

The petitioner failed to advance any compelling, valid and justifiable reason for us to liberally construe the rules on the perfection of appeal.

We agree with the ruling of the CA, finding the petitioner to have timely filed the notice of appeal but failing to perfect the same. In *Enriquez v. Enriquez*,^[22] we underscored the fact that payment of docket fees within the prescribed period is not merely a technicality but a condition *sine qua non* for the perfection of an appeal. We held:

Time and again, this Court has consistently held that payment of docket fee within the prescribed period is mandatory for the perfection of an appeal. Without such payment, the appellate court does not acquire jurisdiction over the subject matter of the action and the decision sought to be appealed from becomes final and executory.

x x x

Appeal is not a right but a statutory privilege, thus, appeal must be made strictly in accordance with the provision set by law. The requirement of the law under Section 4, Rule 41 is clear. The payment of appellate docket fee is not a mere technicality of law or procedure but an essential requirement for the perfection of an appeal.