

FIRST DIVISION

[G.R. NO. 163022, February 28, 2005]

**MEATMASTERS INTERNATIONAL CORPORATION, PETITIONER,
VS. LELIS INTEGRATED DEVELOPMENT CORPORATION,
RESPONDENT.**

DECISION

YNARES-SANTIAGO, J.:

Before us is a petition for review under Rule 45 of the Rules of Court, seeking to set aside the August 15, 2003 Decision^[1] of the Court of Appeals in CA-G.R. CV No. 65464 and its Resolution of March 25, 2004 denying reconsideration thereof.

The undisputed facts are as follows:

On November 11, 1993, petitioner Meatmasters International Corporation engaged the services of respondent Lelis Integrated Development Corporation to undertake the construction of a slaughterhouse and meat cutting and packing plant. The Construction Agreement provided that the construction of petitioner's slaughterhouse should be completed by March 10, 1994. Respondent failed to finish the construction of the said facility within the stipulated period, hence, petitioner filed a complaint for rescission of contract and damages on August 9, 1996 before the Regional Trial Court of Pasig City, Branch 68, which was docketed as Civil Case No. 64651.

On November 23, 1998, the trial court rendered decision, the decretal portion of which reads:

WHEREFORE, in view of the foregoing, the Court hereby renders judgment RESCINDING the Construction Agreement between plaintiff Meatmaster Int'l. Corp. and defendant Lelis Integrated Dev't. Corp. with both parties shouldering their own respective damage.

No pronouncement as to cost.

SO ORDERED.^[2]

A copy of the decision was received by the respondent on December 9, 1998. A motion for reconsideration was filed by respondent on December 22, 1998, but the same was denied. A copy of the resolution denying the motion for reconsideration was received on March 25, 1999. Respondent filed its notice of appeal on March 29, 1999.

Initially, the trial court dismissed the appeal for failure of the respondent to pay the requisite docket fees within the reglementary period. Upon motion by the

respondent however, the trial court reconsidered and gave due course to the notice of appeal^[3] because respondent paid the docket fees in the amount of P420.00 as evidenced by Postal Money Order No. 3085418 dated April 30, 1999.^[4]

In a motion to dismiss filed before the appellate court, the petitioner alleged that respondent's appeal suffers from jurisdictional infirmity because of late payment of docket fees.^[5]

In its decision dated August 15, 2003, the Court of Appeals set aside the decision of the trial court and directed petitioner to pay respondent the amount of P1,863,081.53.^[6] Petitioner's motion for reconsideration was denied in a Resolution dated March 25, 2004.^[7]

Hence, the instant petition based on the sole issue of whether or not the Court of Appeals erred in entertaining the appeal of respondent despite the finality of the trial court's decision.

Petitioner insists that the trial court acted without jurisdiction in giving due course to the appeal. It argues that respondent did not perfect its appeal when it failed to pay the full amount of the docket fee within the prescribed period. Consequently, the trial court's decision became final and executory and could no longer be the subject of an appeal.

The petition is impressed with merit.

It is well-established that the payment of docket fees within the prescribed period is mandatory for the perfection of an appeal. This is so because a court acquires jurisdiction over the subject matter of the action only upon the payment of the correct amount of docket fees regardless of the actual date of filing of the case in court.^[8] The payment of the full amount of the docket fee is a *sine qua non* requirement for the perfection of an appeal. The court acquires jurisdiction over the case only upon the payment of the prescribed docket fees.

In the case at bar, the respondent seasonably filed the notice of appeal but it paid the docket fees one (1) month after the lapse of the appeal period. As admitted by the respondent, the last day for filing the notice of appeal was on March 29, 1999, but it paid the docket fees only on April 30, 1999 because of oversight. Obviously, at the time the said docket fees were paid, the decision appealed from has long attained finality and no longer appealable. When the trial court gave due course to respondent's appeal despite payment of the docket fee one (1) month after the lapse of the period to appeal, it in effect extended the period to appeal.

The requirement of an appeal fee is not a mere technicality of law or procedure but an essential requirement without which the decision appealed from would become final and executory as if no appeal was filed at all. Corollarily, the right to appeal is merely a statutory privilege and may be exercised only in the manner prescribed by, and in accordance with, the provision of the law. The failure to perfect an appeal within the prescribed period is not only mandatory but also jurisdictional and failure to do so renders the questioned decision final and executory, and deprives the appellate court of jurisdiction to alter the final judgment much less to entertain the