

SECOND DIVISION

[G.R. No. 155311, March 31, 2004]

DOY MERCANTILE, INC., PETITIONER, VS. AMA COMPUTER COLLEGE AND ERNESTO RIOVEROS, RESPONDENTS.

R E S O L U T I O N

TINGA, J.:

On June 1, 1990, petitioner Doy Mercantile, Inc. (DOY) through its then counsel, respondent Atty. Eduardo P. Gabriel, Jr., filed before the Regional Trial Court (RTC) of Cebu City a Complaint for *Annulment of Contract, Damages with Preliminary Injunction* against AMA Computer College, Inc. (AMA) and one Ernesto Rioveros.

Petitioner alleged that it owns Lots 2-A and 2-B, and the improvements thereon, located at No. 640 Osmeña Boulevard, Cebu City, covered by Transfer Certificate of Title (TCT) Nos. 68951 and 68952. DOY assailed the *Deed of Conditional Sale* supposedly executed by one of DOY's directors, Dionisio O. Yap, in favor of AMA. Dionisio allegedly sold the properties to AMA without proper authorization from DOY's Board of Directors. DOY also questioned the Secretary's Certificate which was executed by DOY Corporate Secretary Francisco P. Yap, authorizing Dionisio to sell the properties and to sign the contract in behalf of DOY.

Through Atty. Gabriel, Jr., DOY filed an *Urgent Ex Parte Motion for the Issuance of a Restraining Order*, which was granted by the RTC on June 14, 1990. On June 23, 1990, Atty. Gabriel also filed an Answer to *Defendant's Counterclaim*. On July 2, 1990, he filed DOY's *Formal Rejoinder to AMA's Opposition for Issuance of Writ of Preliminary Injunction*. He also filed on July 24, 1990, an *Omnibus Motion* seeking (1) the reconsideration of the order denying DOY's application for a writ of preliminary injunction, (2) the setting of the case for pre-trial and trial on the merits, and (3) the imposition of disciplinary sanctions to Atty. Winston Garcia, who notarized the *Deed of Conditional Sale* and the *Secretary's Certificate*. On August 31, 1990, Atty. Gabriel also filed a *Rejoinder to AMA's Opposition to Motion for Reconsideration, etc.*

During this period, that is, before pre-trial, DOY filed a *Petition for Certiorari, Prohibition with a Prayer for a Writ of Preliminary Injunction* (CA-G.R. S.P. No. 22727) with the Court of Appeals. It questioned the *Order* of the RTC dated July 5, 1990, denying DOY's prayer for the issuance of a writ of preliminary injunction and dissolving the temporary restraining order previously issued. DOY also assailed the *Order* dated August 10, 1990, which denied DOY's *Omnibus Motion*. Atty. Gabriel, Jr., signed the petition together with Atty. Enrique C. Andres of the law firm of Salonga, Andres, Hernandez and Allado.

During pre-trial, AMA proposed to enter into a compromise agreement with DOY, which proposal the parties later agreed to adopt. The agreement was signed by

Fernando Yap in behalf of DOY, with the assistance of Atty. Gabriel, Jr. and Atty. Andres. On November 29, 1990, a *Judgment* based on the compromise agreement was rendered by the RTC. In light of said compromise, the Court of Appeals dismissed CA-G.R. S.P. No. 22727 for mootness.

DOY, however, refused to satisfy Atty. Gabriel, Jr.'s attorney's fees, prompting the lawyer to file with the RTC a *Motion to Allow Commensurate Fees and to Annotate Attorney's Lien on T.C.T. Nos. 68951 and 68952*. At this point, DOY had already obtained the services of a new counsel to attend to the enforcement of the *Judgment* of the RTC.

On December 27, 1991, the RTC fixed Atty. Gabriel, Jr.'s fees at P200,000.00 and ordered that a lien be annotated on the TCTs. A *Writ of Execution* was later issued by the trial court in Atty. Gabriel, Jr.'s favor.

Upon Atty. Gabriel Jr.'s motion for reconsideration, the RTC increased his fees to P500,000.00. It then issued another *Writ of Execution* to enforce the new award but denied the *Motion to Annotate the Award* at the back of the TCTs.

DOY, for its part, filed several petitions with the Court of Appeals to set aside the RTC *Orders* involving the award of attorney's fees. Eventually, the Court of Appeals rendered a *Decision*,^[1] fixing Atty. Gabriel, Jr.'s fees at P200,000.00 and affirming the subsequent Order of the RTC not to annotate such award on the TCTs.

This *Decision* is now the subject of the present petition.

DOY contends that the *Decision* is not consistent with the guidelines prescribed by Section 24, Rule 138^[2] of the Rules of Court and Rule 20.01^[3] of the Code of Professional Responsibility. DOY avers that except for the statement that the compromise agreement benefited DOY and that Atty. Gabriel, Jr., was a competent lawyer, the Court of Appeals made no pronouncement as to the importance of the subject matter in controversy, the extent of services rendered and the professional standing of Atty. Gabriel, Jr., DOY also submits that the Court of Appeals should not have merely relied on the value of the properties involved as the basis for its award. Furthermore, while Atty. Gabriel admitted that he already received Eighty Two Thousand Nine Hundred Fifty Pesos (P82,950.00) from DOY for incidental and partial attorney's fees, a fact affirmed by the Court of Appeals, the latter still awarded P200,000.00 to him.

Atty. Gabriel, Jr., comments, however, that the attorney's fees awarded by the appellate court were commensurate and, perhaps, even less than, the value of the services he rendered. He then enumerates the pleadings he drafted and the appearances he made to dispose of the main case.

Atty. Gabriel, Jr., also alleges that he handled interrelated cases for DOY. He purportedly prepared and filed with the Metropolitan Trial Court of Cebu City the following: a case for *Illegal Detainer with Damages*, an *Opposition to Motion to Dismiss*, an *Opposition to Defendant's Motion for Reconsideration*, and a *Motion to Dismiss*.

Atty. Gabriel, Jr., also draws attention to the criminal case filed by Rolando Piedad,

director of AMA, before the Office of the Cebu City Prosecutor charging Dionisio Yap and Francisco Yap with estafa through falsification of public document. He claims that it was he who prepared and filed with said Office the *Joint Affidavit of Messrs. Dionisio and Francisco Yap against Rolando Piedad for Perjury*, as well as the *Yaps' Counter-Affidavit* in the criminal case. The case was eventually dismissed by the fiscal.

Finally, Atty. Gabriel, Jr., stresses that, through his efforts and resourcefulness, AMA had no choice but to concede to the compromise agreement resulting in the cancellation of the *Deed of Conditional Sale* between DOY and AMA. According to him, AMA was operating a school on the property, which did not have an area of at least 1,000 square meters as required of a school campus, in violation of the directives of the Department of Education, Culture and Sports (DECS). AMA also did not have a business permit from the city government. Atty. Gabriel thus made formal representations with the DECS and the City of Cebu, which ordered AMA to cease operations. Atty. Gabriel, Jr., also verified from the Philippine National Bank whether AMA applied for a loan with which to pay DOY as stipulated in the *Deed of Conditional Sale*, and was informed that AMA's application was held in abeyance due to its poor credit reputation.

The petition has no merit. It is not accurate for petitioner to state that the Court of Appeals did not take into account the time spent and the extent of the services rendered by Atty. Gabriel Jr. The Court of Appeals found that:

That Atty. Gabriel, Jr. was the counsel of DMI [DOY] up to the time the compromise agreement was confirmed by the trial court. He only withdrew his appearance as counsel for co-plaintiffs Fred and Felipe Yap, who were eventually dropped as parties to the case, along with the other individual defendants, as it was held that only DMI was the real-party-in-interest.

It is evident that Atty. Gabriel, Jr. served as co-counsel together with Atty. Enrique C. Andres. DMI was assisted by the former. Evidence of which was the service of a copy of the Judgment Based on Compromise Agreement, including the Decision dated January 30, 1991, which dismissed C.A.-G.R. S.P. No. 22727, on Atty. Gabriel, Jr..

A perusal of the pleadings enumerated by the plaintiff-appellant reveals the competence of Atty. Gabriel, Jr. in handling the case. The degree and extent of service rendered by an attorney for a client is best measured in terms other than the mere number of sheets of paper.^[4]

Indeed, the assailed *Decision* even contains an enumeration of the pleadings filed by counsel in behalf of his client.^[5]

In fixing the award of attorney's fees, the Court of Appeals also considered the amount involved in the controversy and the benefits resulting to the client from the service in fixing Atty. Gabriel, Jr.'s fees, thus:

.... While it is true that Civil Case No. CEB 9043 was terminated by virtue of a compromise agreement by the parties, this is still to be taken as beneficial to DMI as the dispute was finally resolved without having to