

SECOND DIVISION

[G.R. No. 151439, June 21, 2004]

**MARINO E. RUBIA, PETITIONER, VS. GOVERNMENT SERVICE
INSURANCE SYSTEM (GSIS), RESPONDENT.**

D E C I S I O N

QUISUMBING, J.:

Assailed in this petition for review is the decision^[1] dated September 18, 2001, of the Court of Appeals in CA-G.R. SP No. 64260, which nullified and set aside two Orders^[2] dated January 2, 2001 and March 21, 2001, respectively, of the Regional Trial Court of San Pedro, Laguna, Branch 93, in Civil Case No. SPL-0120 entitled *Marino E. Rubia v. GSIS, Arnulfo C. Cuasay and Danilo Villanueva*. The January Order denied the Government Service Insurance System's motion for reconsideration for being filed beyond the 15-day reglementary period and also granted the prayer for the issuance of a writ of execution thereon, while the March Order denied the GSIS' motion to quash the writ of execution. Equally assailed is the resolution^[3] dated January 14, 2002 of the appellate court, which denied the petitioner's motion for reconsideration.

This petition stemmed from the following factual antecedents:

Petitioner Marino E. Rubia is an employee of the Philippine Air Lines (PAL) who obtained from the Government Service Insurance System (GSIS) a P140,556 loan for the purchase of a house and lot at Pacita Complex I, San Pedro, Laguna. On July 30, 1996, he filed a complaint^[4] against GSIS and its officers, Arnulfo Cuasay and Danilo Villanueva, for specific performance with damages, seeking refund of his alleged overpayment as of November 1995 of P273,604.79 plus, legal interest of 12% per annum until fully paid. The petitioner claimed that the interest rate provided in the Deed of Conditional Sale^[5] with the vendor La Paz Housing and Development Corporation should have been applied to his loan, which was six percent for the first P30,000 and nine percent and twelve percent for the amount in excess of P30,000, payable in 180 equal installments, rather than the fourteen percent straight interest per annum, for non-GSIS member.

On July 30, 2000, the RTC rendered judgment in favor of the petitioner, to wit:

WHEREFORE, judgment is hereby rendered in favor of plaintiff and against the defendants, ordering the latter to pay the former [Marino E. Rubia] principal sum of P273,604.79 (inclusive of refund of amortization payments, P210,371.83; refund of SRI premium, P12,243.52; rebates of regular interest, P5,609.00; and refund of interest due on plaintiff's loan, P45,380.44) as of November 1995, plus legal interest until fully paid, and

25% of the principal amount due as and for professional fees. Cost against the defendants.^[6]

A copy of the RTC decision was sent to GSIS by registered mail, addressed as follows:

Legal Department
Government Service Insurance System
Financial Center
Pasay City.^[7]

On September 12, 2000, the GSIS central receiving clerk Arthur^[8] Lintag received the RTC decision. The certification of Atanacio S. Tuico, Postmaster V, Pasay Central Post Office reads:

This is to certify that as per our record, Registered Letter No. 2143 posted on September 07, 2000 addressed to Legal Services, GSIS, Financial Center, Roxas Blvd. Pasay City was forwarded/delivered to GSIS, Pasay City under Bill No. 53 Column 1 Line dated 9-12-2000 and was received by Arthur Lintag, authorized receiving clerk on Sept. 12, 2000.^[9]

On October 2, 2000, the GSIS filed a motion for reconsideration on the RTC decision. The RTC denied the motion after finding that, reckoned from September 12, 2000 when Lintag received the decision, the motion was filed beyond the 15-day reglementary period.

On October 11, 2000, the petitioner moved for the execution of the RTC decision which the RTC granted in its assailed Order of January 2, 2001. When the notice of garnishment^[10] was sent by Sheriff IV Ireneo S. Paz to the Landbank of the Philippines, the GSIS filed a manifestation with a motion to quash the writ of execution. However, the motion was denied by the RTC in its second assailed Order dated March 21, 2001.

A Follow up Order^[11] and Notice of Delivery of Money^[12] were issued by the sheriff of the RTC, causing the amount of P638,895.26^[13] to be successfully garnished against the GSIS account in the Landbank of the Philippines. It was allegedly turned over on September 6, 2001 to the petitioner in satisfaction of the Writ of Execution issued by the RTC.

However, on petition for certiorari, the Court of Appeals ruled in favor of GSIS nullifying the January 2, 2001 and March 21, 2001 RTC Orders. The Court of Appeals held:

Since copy of the decision intended for GSIS counsel Atty. Marigomen et al. was not addressed to "Atty. Marigomen of the Legal Services Group-GSIS, . . .", but to the Legal Department, and as neither Arthur Lintag was the clerk in the Legal Services Group of Atty. Marigomen et al. nor a person having charge thereof, **there was no valid service** thereof to Lintag. Service to Atty. Marigomen became valid only when the envelope bearing the decision was delivered to his office on September 15, 2000 (Cañete v. NLRC, 250 SCRA 259, 265 [1995]; Adamson Ozanam

Educational Institution, Inc. v. Adamson University Faculty and Employees Association, 179 SCRA 279 [1989]).

But, even assuming that service upon Atty. Marigomen was valid, **strong considerations of substantial justice** prod Us to, in the exercise of equity jurisdiction, relax the stringent application of technical rules (vide Galdo v. Rosete, 84 SCRA 239, 242-243 [1978]).

. . .

WHEREFORE, the petition is hereby GRANTED. The Orders of January 2, 2001 and March 21, 2001 are hereby NULLIFIED and SET ASIDE.

Public respondent judge is hereby directed to admit petitioner's Motion for Reconsideration of his decision dated August 30, 2000 and resolve the same, and to direct the officer-in-charge of mailing in his office to send notices/processes of the court to GSIS' counsel at the exact address.

SO ORDERED.^[14] [Emphasis supplied]

Herein petitioner, Marino Rubia, then moved for reconsideration but on January 14, 2002, the Court of Appeals denied said motion.^[15]

Hence the instant recourse of petitioner, based on the following grounds:

THE COURT OF APPEALS' FINDINGS WERE BASED ON MISAPPREHENSION OF FACTS, PREMISED ON SPECULATIONS OR UPON ABSENCE OF EVIDENCE.

THE COURT OF APPEALS' EXERCISE OF "EQUITY JURISDICTION" WAS A DANGEROUS PRECEDENT AND WAS WITH GRAVE ABUSE OF DISCRETION.^[16]

Simply put, however, the only issue before us is whether the Court of Appeals erred in ordering the trial court to admit GSIS' motion for reconsideration, despite the lapse of the prescribed 15-day reglementary period in Section 3^[17] of Rule 41, of the Revised Rules of Court.

Petitioner contends that the RTC properly denied the GSIS motion for reconsideration as it simply applied the express mandate of the Rules of Court that a motion for reconsideration be filed within the 15-day reglementary period. Thus, according to petitioner, the Court of Appeals erred in reversing the RTC decision and ordering that the motion for reconsideration of the GSIS be admitted. The petitioner argues that the Court of Appeals has no equity jurisdiction to re-open a decision, which has become final and partially executed.

For its part, the GSIS submits that the receipt of the decision by its counsel, i.e. the lawyers of the Legal Services Group of GSIS, on September 15, 2000, and not the receipt thereof by its central receiving unit clerk Arthur Lintag on September 12, 2000, which should be considered as the starting date from which the 15-day reglementary period to file a motion for reconsideration should be computed. For, according to respondent, it is the actual receipt by counsel, not that by his client

GSIS, when the 15-day period should begin.

Furthermore, respondent contends that under its Charter,^[18] GSIS is exempt from execution, citing the following provisions thereof:

Sec. 39. Exemption from Tax, Legal Process and Lien. – It is hereby declared to be the policy of the State that the actuarial solvency of the funds of the GSIS shall be preserved and maintained at all times and that contribution rates necessary to sustain the benefits under this Act shall be kept as low as possible in order not to burden the members of the GSIS and their employers. Taxes imposed on the GSIS tend to impair the actuarial solvency of its funds and increase contribution rate necessary to sustain the benefits of this Act. Accordingly, notwithstanding any laws to the contrary, the GSIS, its assets, revenues including all accruals thereto, and benefits paid, shall be exempt from all taxes, assessments, fees, charges or duties of all kinds. . . .

. . .

The funds and/or the properties referred to herein as well as the benefits, sums or monies corresponding to the benefits under this Act shall be exempt from attachment, garnishment, execution, levy or other processes issued by the courts, quasi-judicial agencies or administrative bodies including Commission on Audit (COA) disallowances and from all financial obligations of the members, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties, or incurred relative to or in connection with his position or work except when his monetary liability, contractual or otherwise, is in favor of the GSIS. [Underscoring supplied]

Finally, respondent contends that the Court of Appeals correctly exercised its equity jurisdiction because GSIS has a meritorious case that deserves appellate review.

After carefully considering the submission of the parties, we find that the disputed motion for reconsideration of the GSIS was properly denied by the RTC in its Order dated January 2, 2001, because it was filed beyond the 15-day reglementary period. The receipt by the GSIS central receiving clerk of the RTC decision on September 12, 2001 sent through registered mail, and addressed to the "Legal Department of the GSIS", complies with Rule 13^[19] of the Rules of Court on service of judgments. Thus, the Court of Appeals erred in nullifying and setting aside said RTC Order.

As a rule, judgments are sufficiently served when they are delivered personally, or through registered mail to the counsel of record, or by leaving them in his office with his clerk or with a person having charge thereof.^[20] After service, a judgment or order which is not appealed nor made subject of a motion for reconsideration within the prescribed fifteen-day period attains finality.^[21] In our view, in an establishment or institution with a central receiving unit authorized to receive all mails, service to the central receiving unit clerk is a valid service. Otherwise, the rule on service of process would easily be frustrated and defeated by the self-serving maneuvers of the recipient or the addressee.

A process server's certificate of service is prima facie evidence of the facts as set out

in the certificate.^[22] Between the claim of non-receipt of notices of registered mail by a party against the assertion of an official whose duty is to send notices, the former assertion is fortified by the presumption that official duty has been regularly performed.^[23] In this case, the GSIS admits that all mail matters are coursed through the same central receiving unit for sorting and sending to the respective departments and that “mails involving court decision, orders, and processes and other court papers and legal matter are no exception.”^[24] Clearly, any delay in the delivery of the mail is attributable to the inefficiency if not defect in the institution’s mail distribution policy. Being housed in an office as big as the GSIS, and having full knowledge of the system of mail distribution in their building which respondent claims to always be delayed by three days, respondent should have made special instructions or taken proper steps as to court processes to avoid undue delay. Certainly, the GSIS and its lawyers cannot be exempt from observing and complying with the Rules of Court simply because in their system “all mails are treated the same” or even because there is an inherent weakness in their system. Both are not valid reasons to circumvent jurisdictional requirements, including set reglementary periods.

Procedural law has its own rationale in the orderly administration of justice, that is, to ensure the effective enforcement of substantive rights by providing for a system that obviates arbitrariness, caprice, despotism, or whimsicality in settlement of disputes. Hence, it is a mistake to suppose that enforcement of procedural rules should never be permitted if it would result in prejudice to the substantive rights of parties.^[25]

Respondent cannot harp on the insignificant difference in address, that is “Legal Services Group-GSIS” from “Legal Department of the GSIS”, to excuse their delay in filing their motion for reconsideration. There is nothing ambiguous in the address to create the danger of being misdelivered as both terms undeniably refer to the same department. Composed either way, the mailed decision should reach the addressee after it is coursed through the central receiving unit for distribution which however, as respondent admits, is always three days late.

Neither can respondent properly rely on *Cañete v. National Labor Relations Commission*^[26] nor *Adamson Ozanam Educational Institution, Inc. v. Adamson University Faculty and Employees Association*.^[27] In those cases, services were made to persons with apparent lack of authority whatsoever to receive correspondence for and in behalf of counsel. Thus, the 15-day reglementary period was counted from the actual receipt of the proper party. In *Cañete*, service was made to a sales representative of an adjacent office, who happened to be seated outside the law office of the attorney on record while the said office was still closed. In *Adamson*, service was made to a security guard. In contrast, here the counsel to whom the court decision was to be served held office within the GSIS building, where there was a designated clerk to receive correspondence officially.

Thus, respondent GSIS’ failure to file a motion for reconsideration with the RTC on time, despite receipt by the GSIS receiving clerk of the RTC’s June 30, 1995 decision constitutes a violation of Section 3, Rule 41 of the Revised Rules of Court. The Court of Appeals erred in nullifying the RTC’s Order dated January 2, 2001 as well as its Order dated March 21, 2001.