

SECOND DIVISION

[G.R. No. 155251, December 08, 2004]

**ARNULFO EDA, PETITIONER, VS. COURT OF APPEALS AND
REYNALDO SANTOS, RESPONDENTS.**

D E C I S I O N

CALLEJO, SR., J.:

Before us is a petition for review of the Decision^[1] of the Court of Appeals (CA) dated April 30, 2002, dismissing the petition for certiorari filed by petitioner Arnulfo Eda, and the Resolution dated September 12, 2002, denying his motion for reconsideration thereof.

The Antecedents

On September 20, 1999, respondent Reynaldo Santos filed a complaint for sum of money against the petitioner with the Regional Trial Court (RTC), Manila, Branch 29. During the pre-trial, the petitioner questioned the jurisdiction of the trial court over the respondent's principal claim of P100,000.00.

The respondent then filed an amended complaint, alleging *inter alia* that he and the petitioner had entered into a business arrangement wherein it was agreed upon that he would provide money which would be loaned out by the latter to his officemates. The petitioner would then collect the payments of the loans together with the interest, and, in return, he would be entitled to a commission of 1% of the payments collected, while the rest would be turned over to the respondent. According to the respondent, he gave the total amount of P500,000.00 to the petitioner in accordance with their agreement. However, from 1995 to 1998, the petitioner failed to turn over the payments collected. Instead, the petitioner informed him that such payments were again loaned out to other borrowers. The petitioner then handed over to the respondent several promissory notes evidencing the amounts the latter had loaned out to his officemates from November 1998 to December 1998, amounting to P1,200,000.00. However, despite demands, the petitioner failed to remit the said amount to the respondent. The respondent further alleged that the petitioner executed an instrument at the office of the *barangay* chairman wherein he admitted receiving P100,000.00 from the respondent, and that such amount was to be loaned to his (respondent's) officemates with fourteen percent (14%) interest payable within a period of sixty (60) days. According to the respondent, the amount now totaled P1,200,000.00, including interest,^[2] which the petitioner promised to pay on installment basis. However, the respondent rejected this arrangement.^[3]

The amended complaint prayed, thus:

WHEREFORE, it is respectfully prayed of this Honorable Court that after hearing, judgment be rendered in favor of the plaintiff and against the defendant, ordering the latter to pay the plaintiff the following:

a) The amount of P1,200,000.00 representing defendant's obligation, plus legal interest thereon at the rate of 12% per annum counted from the date of the filing of this complaint until fully paid;

b) The amount of P50,000.00, as and for attorney's fees, litigation expenses, and costs of suit.

Other reliefs just and equitable under the premises are likewise prayed for.^[4]

The respondent appended to his complaint copies of the promissory notes and the instrument executed by the petitioner.

In his answer, the petitioner averred that the total amount invested by the respondent was only P100,000.00. The petitioner claimed that he was not able to collect payments from the borrowers and that some of them absconded.^[5]

The parties thereafter adduced testimonial and documentary evidence. On April 24, 2001, the RTC rendered a Decision, the decretal portion of which reads:

WHEREFORE, in view of the foregoing, judgment is hereby rendered ordering the defendant, Arnulfo Eda to pay plaintiff Reynaldo Santos the sum of P1,185,030.00 with legal interest from the date the complaint was filed on September 20, 1999, attorney's fees of P20,000.00 plus the costs of suit. The counterclaim of defendant is hereby DISMISSED for lack of merit. With cost against defendant.^[6]

The petitioner received a copy of the decision on May 28, 2001. The petitioner filed a motion for reconsideration of the said decision on June 11, 2001, which the trial court denied for lack of merit on July 11, 2001.^[7] The petitioner received a copy of the order on July 17, 2001.^[8]

On July 27, 2001, the petitioner filed a Notice of Appeal.^[9] On July 30, 2001, the trial court denied due course to the notice of appeal on the ground that it was filed well beyond the reglementary period.^[10] The petitioner moved to reconsider the said order, which motion the trial court likewise denied on September 10, 2001.^[11]

Aggrieved, the petitioner filed a petition for certiorari with the CA, contending that:

THE RESPONDENT JUDGE GRAVELY ABUSED HER DISCRETION WHEN SHE DENIED THE NOTICE OF APPEAL;

ASSUMING WITHOUT ADMITTING THAT THE NOTICE OF APPEAL WAS FILED OUT OF TIME STILL THE RESPONDENT JUDGE GRAVELY ABUSED HER DISCRETION TO THE DENIED (SIC) THE MOTION FOR RECONSIDERATION CONSIDERING THAT TECHNICAL RULES SHOULD BE RELAXED TO PAVE WAY TO SUBSTANTIAL JUSTICE;

THE RESPONDENT JUDGE GRAVELY ABUSED HER DISCRETION WHEN SHE TOOK JURISDICTION OVER THE CASE;

THE RESPONDENT JUDGE ERRED IN DECIDING THE CASE AGAINST THE PETITIONER FOR THERE IS NO MERITORIOUS GROUND TO SUSTAIN THE DECISION.^[12]

On April 30, 2002, the CA issued a Resolution^[13] dismissing the petition for certiorari on its finding that the RTC did not commit any grave abuse of its discretion in denying the petitioner's notice of appeal. The CA found that the notice of appeal was filed beyond the reglementary period therefor. It further held that certiorari cannot be a substitute for a lost appeal; that the period of appeal is mandatory and jurisdictional; and that failure to appeal within the said period makes the questioned decision final and executory and deprives the appellate court of jurisdiction to alter the final judgment, much less to entertain the appeal.^[14]

The petitioner filed a motion for reconsideration of the said decision. On September 12, 2002, the CA denied the said motion.^[15]

Hence, this petition for review, in which the petitioner assigns the following errors:

THE COURT OF APPEALS COMMITTED ERRORS WHEN IT DID NOT CONSIDER NOR DECIDE THAT THE COURT A *QUO* HAS NO JURISDICTION TO TRY AND DECIDE THE CASE.

THE COURT OF APPEALS SHOULD HAVE APPLIED THE PRINCIPLE OF LIBERALITY CONSIDERING THAT WHAT IS INVOLVED [ARE] ERRORS COMMITTED BY THE COURT A *QUO* IN RENDERING DECISION AGAINST THE PETITIONER FOR THERE IS NO MERITORIOUS GROUND TO SUSTAIN THE SAME.

ASSUMING WITHOUT ADMITTING THAT THE NOTICE OF APPEAL WAS FILED OUT OF TIME STILL THE COURT OF APPEALS COMMITTED ERRORS TO DISMISS THE PETITION FOR CERTIORARI AND DENIED THE MOTION FOR RECONSIDERATION CONSIDERING THAT TECHNICAL RULES SHOULD BE RELAXED TO PAVE WAY TO SUBSTANTIAL JUSTICE.^[16]

The petition is without merit.

On the first assigned error, the petitioner avers that even during the pre-trial, he already questioned the jurisdiction of the trial court over the subject matter of the action. He asserts that the respondent's initial investment, or the amount to be loaned out to his officemates, was only P100,000.00. He argues that under Republic Act No. 7691 amending Section 19 of Batas Pambansa (B.P.) Blg. 129, the Metropolitan Trial Court of Manila had exclusive jurisdiction over the action of the respondent.

For his part, the respondent avers that the petitioner's attack on the jurisdiction of the trial court over the nature of his action is but an afterthought.

The contention of the petitioner is untenable.