

## THIRD DIVISION

[ G.R. No. 140858, November 27, 2001 ]

**SPOUSES PAPA AND LOLITA MANALILI, PETITIONERS, VS.  
SPOUSES ARSENIO AND GLICERIA DE LEON, RESPONDENTS.**

### DECISION

**PANGANIBAN, J.:**

Appeal is not a constitutional right but a mere statutory privilege. It must be exercised strictly in accordance with the provisions of the law and rules. Specifically, the payment of docket fees within the period for perfecting an appeal is mandatory. In the present case, petitioners have not given sufficient reason why they should be exempt from this stringent rule.

#### **Statement of the Case**

Before us is a Petition for Review under Rule 45<sup>[1]</sup> of the Rules of Court, praying that the two Resolutions promulgated by the Court of Appeals<sup>[2]</sup> (CA) on August 10, 1999 and November 17, 1999 in CA-GR CV No. 62180 be set aside. The above Resolutions disposed as follows:

#### **August 10, 1999 Resolution**

"Considering the report of the Branch Clerk of Court of the Regional Trial Court, Las Piñas (Branch 254) that there are no official receipts evidencing payment of appellants[`] docket fee in Civil Case No. LP-97-0271 entitled Spouses Papa and Lolita Manalili, plaintiffs vs. Spouses Arsenio and Glicería de Leon, defendants; the initial appeal is hereby DISMISSED for failure to pay the docket and other lawful fees to the Clerk of said court within the period for taking an appeal as required by Rule 50, Sec. 1[c] x x x."<sup>[3]</sup>

#### **November 17, 1999 Resolution**

"Having perused appellants' motion for reconsideration and finding that no satisfactory reasons have been adduced for their failure to pay the docket fees, the Court resolved to DENY the motion. Payment in full of docket fees within the prescribed period is mandatory and non-compliance therewith may cause the dismissal of the appeal pursuant to Sec. 1(c), Rule 50 of 1997 Rules of Civil Procedure x x x."<sup>[4]</sup>

#### **The Facts**

The undisputed antecedents were summarized by the trial court<sup>[5]</sup> in this wise:

"Evidence disclosed that herein plaintiffs [petitioners in the present case] mortgaged their residential house and lot situated at No. 19 Aguirre Avenue, Phase 5, Pilar Village, Las Piñas City covered by Transfer Certificate of Title No. T-40309 of the Registry of Deeds of Las Piñas City to a lending institution owned by Mr. Rey Camua for PHP945,000.00. Unable to redeem said mortgage on its maturity date, herein plaintiffs, foreseeing that they would not qualify for a million-peso bank loan, approached and sought the help of their friends and business associates, herein defendants to secure in their behalf a loan using herein subject property as collateral, from China Banking Corporation, the defendants [respondents in the present case] being depositors and clients in good standing of the said bank. As agreed upon by herein parties, for a lower capital gains tax, a Deed of Sale for a consideration of PHP250,000.00 dated 10 July 1996 was executed by herein plaintiffs over herein subject property in favor of herein defendants for and only [for the] purpose to facilitate the transfer of title over herein subject property from the name of herein plaintiffs to the name of herein defendants, which step was necessary for mortgaging the subject property with China Banking Corporation for PHP1.4 million in the name of herein defendants. Thus, Transfer Certificate of Title No. T-55745 by the Registry of Deeds of Las Piñas City in the name of herein defendants.

"To place everything safely in any eventuality, herein parties agreed and privately entered into an 'AGREEMENT' dated 10 July 1996, setting forth and stipulating therein, to wit:

‘f) That the SECOND PARTY has no interest whatsoever in acquiring the property being sold by the FIRST PARTY, it being understood further that the only purpose of the Deed of Sale of the property executed by the FIRST PARTY in favor of the SECOND PARTY is to secure a much higher loan from the Bank of the SECOND PARTY and in order that the FIRST PARTY shall now be able to settle the obligation of the FIRST PARTY to the SECOND PARTY, and that the aforesaid Deed of Sale shall become null and void and without full force and effect should the FIRST PARTY have fully complied with the terms and conditions stipulated in this Agreement[;] however, in the event the FIRST PARTY failed to pay the six (6) consecutive monthly payments, the Deed of Sale over the property executed between the FIRST PARTY and the SECOND PARTY shall be honored and binding upon the said parties;’

"Also agreed upon, another unauthorized Deed of Sale also dated 10 July 1996 for PHP1.4 million over herein subjected property was executed by herein plaintiffs in favor of herein defendants.

"While awaiting approval and release of the bank loan, herein plaintiffs requested and received from herein defendants cash-advances totaling PHP246,542.00.

"Evidence adduced, further established that herein plaintiffs were able to pay only the first monthly installment of the bank loan defaulting