

THIRD DIVISION

[G.R. No. 124245, February 15, 2000]

**ANTONIO F. NAVARRETE, PETITIONER, VS. COURT OF APPEALS,
AND LEONILA E. GENEROSO, RESPONDENTS.**

DECISION

GONZAGA-REYES, J.:

Before us is a petition for review seeking the reversal of the Decision^[1] of the respondent Court of Appeals dated March 14, 1996 in CA-G.R. CV No. 33838 insofar as it deleted the award of moral damages and attorney's fees granted to him by the Regional Trial Court of Manila in its Decision^[2] dated September 27, 1990 in Civil Case No. 87-41856.

Petitioner is a lawyer and is one of the defendants in Civil Case No. 87-41856 for annulment of "Deed of Sale with Right to Repurchase and Damages", filed with the Regional Trial Court of Manila entitled "*Leonila E. Generoso, et. al. vs. Frederick S. Pumaren, et. al.*". Private respondent filed the civil case on September 2, 1987 originally against Mr. Frederick S. Pumaren, Mr. Avelino Profeta and the Register of Deeds of Metro Manila seeking to annul a deed of sale executed over her property on the ground that her purported signature therein was forged. On December 21, 1987, the complaint was amended to include petitioner and Atty. Rafael C. Dinglasan.

The Deed of Sale with Right of Repurchase involved in the civil case was prepared and notarized by petitioner. Petitioner claims that the statements made by private respondent in her Amended Complaint and her testimonies in the course of the trial falsely and maliciously slandered him. Hence, petitioner now assails the denial of his right to recover moral damages and attorney's fees from private respondent.

The alleged malicious and false statements made by private respondent against petitioner were uttered on December 14 and 21, 1987. On these dates, the lower court conducted the hearings for the issuance of a writ of preliminary injunction in Civil Case No. 87-41856. Petitioner claims that private respondent alluded to him when she said the words "stupid", "bastards", "swindlers", and "plunderers" while testifying on the Deed of Sale with Right of Repurchase. Quoted below are the pertinent portions of private respondent's testimonies:

"Q.Now, there are signatures here as witnesses appearing on page 2 of the document, can you tell us, Ms. Witness, if you can recognize those signatures?

"A. I do not know any of *those bastards*, none of them."^[3]
xxx

"Q.One of the defendants in this case is a certain Avelino Profeta, have you met him before?

"A. I never met this swindler before. I never seen him. Never heard of him."^[4]

xxx

"Q. Before this proceedings commence as it appears that it was so confirmed thru a petition be defendant Frederick S. Pumaren on October 13, 1986, did you receive from the Court or from the defendants that there was such proceedings?

"A. No, sir. I did not receive any notice from the court or from these *stupid* people."^[5]

xxx

"A. I do not know this document. I do not know about the selling. *Those people are really swindlers.*"^[6]

xxx

"A. I still could not understand how this certificate of title could be recopied. There must be somebody who is responsible for it. How was it possible that this was copied by *these swindlers.*"^[7]

xxx

"A. We came here precisely for this because I can not let these things go ahead. My property is being *stolen* behind my back. I have to come here 10,000 miles away to defend my property so that justice may be given to punish those plunderers."^[8]

xxx

"DRA. GENEROSO: Before we have the break, can I make a statement to Atty. Villanueva? Are you defending Avelino Profeta, one of *the swindlers* in this case? How can you, after examining all those papers, protect and defend him after *they plundered* my property?"^[9]
(Italics supplied)

Petitioner is also convinced that the following allegations of private respondent in her Amended Complaint are actionable:

- (a) Accused "private defendants" of "*forging*" Leonila Generoso's signature in the Deed of Absolute Sale with Right of Repurchase" (par. 51);
- (b) Claimed that "the same conspiring defendants *falsified* the signatures of Leonila E. Generoso" (par. 61);
- (c) Pointed to private defendants' wanton and malevolent acts to deceive and defraud plaintiffs" (par. 91); and
- (d) Charged the defendants of "blatant, *malicious and fraudulent* acts as aforestated" (par. 10)^[10]
(Italics supplied)

On September 27, 1990, the Regional Trial Court of Manila rendered its Decision in Civil Case No. 87-41856, the dispositive portion of which reads:

"WHEREFORE, and in view of the foregoing considerations, judgment is hereby rendered:

- (a) Declaring plaintiff Leonila E. Generoso as the absolute, exclusive and paraphernal owner of the subject property covered by her already deemed cancelled Transfer Certificate of Title No. 143351, now Transfer Certificate of Title No. 154609, of the Register of Deeds of Manila;

(b) Declaring the Deed of Absolute Sale with Right of Repurchase, Exhibit A, and Transfer Certificate of Title Nos. 143551 and 175354 issued to Frederick S. Pumaren as null and void, cancelled (sic) without force and effect;

(c) Declaring Transfer Certificate of Title No. 154609 issued to plaintiff Leonila E. Generoso as the lawful and valid title to the land in question;

(d) *Dismissing the complaint with respect to defendant Antonio Navarrete and, on his counterclaim, ordering plaintiffs to pay him the amount of P 100,000.00 as moral damages and P 20,000.00 as attorney's fees.*

No pronouncement as to costs."^[11]

Both parties appealed, including petitioner who protested the minimal amount of damages awarded to him.

On March 14, 1996, the Court of Appeals upheld the finding that the Deed of Sale with Right of Repurchase and the Transfer of Certificate of Title issued to Pumaren were null and void, but deleted the award of damages in favor of petitioner. It held:

"IN THE LIGHT OF ALL THE FOREGOING, the assailed Decision is hereby AFFIRMED with the modifications that: (a) *the award of moral damages and attorney's fees in favor of Navarrete are hereby deleted*; (b) Appellant Pumaren and Dinglasan are hereby ordered to pay to Appellant Generoso and Elshawi jointly and severally, the amount of US \$ 2,650.00 or its peso equivalent by way of actual damages; to Appellant Generoso, the amount of P 50,00.00 by way of exemplary damages; and to Appellants Generoso and Elshawi, the amount of P 20,000.00 as attorney's fees; and the costs of suit."^[12]

Petitioner believes that this Court should overturn the decision of the Court of Appeals on the ground that:

IN HOLDING THAT A PARTY TO A CASE HAS THE ABSOLUTE PRIVILEGE OF FALSELY AND MALICIOUSLY MALIGNING A LAWYER, EVEN WHILE THE LATTER IS NOT YET A PARTY TO THAT CASE, THE RESPONDENT COURT OF APPEALS HAS DECIDED A QUESTION OF SUBSTANCE, NOT HERETOFORE DETERMINED BY THIS HONORABLE COURT, OR HAS DECIDED IT IN A WAY CLEARLY NOT IN ACCORD WITH LAW, WITH THE APPLICABLE DECISIONS OF THIS HONORABLE COURT OR, AT THE VERY LEAST, WITH FAIRNESS AND EQUITY."^[13]

In questioning the conclusion of the Court of Appeals that the statements made by private respondent in the pleadings and in her testimony are considered absolutely privileged, petitioner deplores the fact that only American cases were cited by the Court to justify its conclusion. He insists that under Philippine law and jurisprudence, the statements made by private respondent are not absolutely privileged. The petition underscores the fact that petitioner is a lawyer whose reputation has been allegedly besmirched by a "brown American".^[14] Petitioner now turns to this Court to vindicate his honor.

In her Answer, private respondent cited decisions^[15] of the Supreme Court to the effect that no action for libel or for damages may be founded on utterances made in the course of judicial proceedings.^[16]

This Court finds that the Court of Appeals did not commit any reversible error in revoking the award of moral damages and attorney's fees to petitioner.

It is a settled principle in this jurisdiction that statements made in the course of judicial proceedings are absolutely privileged.^[17] This absolute privilege remains regardless of the defamatory tenor and the presence of malice if the same are relevant, pertinent or material to the cause in hand or subject of the inquiry.^[18] Thus, the person making these statements such as a judge, lawyer or witness does not thereby incur the risk of being found liable thereon in a criminal prosecution or an action for the recovery of damages.^[19]

The doctrine that statements made during the course of judicial proceedings enjoy the shield of absolute privilege was first categorically established^[20] in the case of *Sison vs. David*.^[21] In said case, the petition allegedly contained libelous allegations, implying that the complainant was incompetent to manage the affairs of a corporation and that he was converting his wife's paraphernal properties into conjugal properties.^[22] This Court ruled in that case that the allegations in the pleadings were absolutely privileged and went further by saying that:

"Also, sarcastic, pungent and harsh allegations in a pleading although tending to detract from the dignity that should characterize proceedings in courts of justice, are absolutely privileged, if relevant to the issues".^[23]

We have adopted the same ruling in several cases^[24] wherein statements made during judicial proceedings were sued upon for libel or damages. The lone requirement imposed to maintain the cloak of absolute privilege is the test of relevancy.^[25]

The doctrine of privileged communication has a practical purpose. As enunciated in the case of *Deles vs. Aragona, Jr.*^[26]:

"The privilege is not intended so much for the protection of those engaged in the public service and in the enactment and administration of law, as for the promotion of public welfare, the purpose being that members of the legislature, judges of courts, jurors, lawyers and witnesses may speak their minds freely and exercise their respective functions without incurring the risk of a criminal prosecution or an action for damages."^[27]

In determining the issue of relevancy of statements made in judicial proceedings, courts have adopted a liberal attitude by resolving all doubts in favor of relevancy.^[28] In *People vs. Aquino*^[29], we emphasized that "it is the rule that what is relevant or pertinent should be liberally considered to favor the writer, and the words are not to be scrutinized with microscopic intensity".^[30]