

SEVENTEENTH DIVISION

[CA-G.R. SP NO. 85306, August 18, 2006]

SPOUSES LORETO V. UY AND ELPIDIO S. UY, PETITIONERS, VS. HON. WINLOVE M. DUMAYAS AS PRESIDING JUDGE OF RTC, BRANCH 59, MAKATI CITY, AND UNIBANCARD CORPORATION, RESPONDENTS.

DECISION

SANTIAGO-LAGMAN, J.:

Before Us is a Petition for Certiorari under Rule 65 of the Revised Rules of Civil Procedure with prayer for the issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction, seeking to nullify and set aside the Decision^[1] dated December 23, 2002 and the Order^[2] dated April 30, 2004 of the Regional Trial Court of Makati, Branch 59, in Civil Case No. 99-735, for Sum of Money, entitled "Unibancard Corporation, plaintiff (private respondent herein) -versus- Sps. Loreto V. Uy and Elpidio S. Uy, defendants (petitioners herein)", ruling in favor of the private respondent and against the petitioners and dismissing the latter's Petition for Relief from Judgment, respectively.

The facts were summarized by the court *a quo* as follows:

"Plaintiff in its complaint, substantially alleges inter alia, that: plaintiff is engaged in the credit card business by issuing Metrobank Visa and Unicard Credit Cards through which it extends credit accommodation to cardholders by allowing them to make purchases from the plaintiff's accredited member establishments. On November, 1998, defendant Loreto V. Uy applied with the plaintiff for the issuance of a Metrobank Visa Credit membership and credit accommodation. The application was approved and defendant Loreto was issued a Metrobank Visa Peso and Dollar Credit Card No. 4311 7900 0365-3005. On August, 1997, defendant Loreto, likewise, previously, applied for Unicard membership and credit accommodation. The application was also approved and defendant Loreto was issued Unicard No. 8000 4000 0332 4006. Defendant Loreto made use of her Metrobank Visa Peso and Dollar Credit card but defaulted in the payment of the monthly billing statements. As of February 24, 1999 her obligation with the plaintiff corporation amounted to P9,234.43 and \$10,953.02. Likewise, Loreto made use of her Unicard Credit card but also defaulted in the payment of her monthly billings. As of February 24, 1999, her obligation amounted to P58,580.58 inclusive of interest and penalty charges.

Defendant Spouses in their answer, admitted the issuance of the credit cards. By way of special and affirmative defenses they contend that their credit card membership documents are inscribed in tiny letters making them impossible to intelligently read and understand the same. The contract is a contract of adhesion. The credit limits are not set forth in the complaint and their request to be furnished with duly signed credit receipts was not complied with by the plaintiff.

The records show that defendants did not appear during the scheduled pre-trial conference which has been postponed twice by reason of defendants' non-appearance. Hence, upon motion of the plaintiff it was allowed to present evidence ex-parte x - x - x.

During the plaintiff's ex-parte presentation of evidence, Rodolfo I. Gabatino, accountant/supervisor of Unibancard Corporation was presented as the lone witness. Together with his testimony Exhibits "A" to "P" and submarkings were offered in evidence.

From the evidence adduced it was clearly established that: Plaintiff is a corporation organized and existing under Philippine laws. It is engaged in the credit card business issuing Metrobank Visa and Unicard Credit Cards.

On August, 1997 defendants Loreto and Elpidio as co-obligor, applied with the plaintiff for the issuance of a Unicard Credit Card x - x - x. The application was approved and Loreto was issued Unicard Card Account No. 8000 4000 0332 4006 authorizing her to purchase on credit goods and services from plaintiff's accredited establishments.

Loreto made use of her Unicard account by purchasing goods and services from plaintiff's various accredited establishments x - x - x. It has been duly established that as of January 20, 1999 defendant's Unicard obligation amounted to P57,759.51 x - x - x. Plaintiff sent to defendants their monthly statement of account but the latter made only one payment in their Unicard obligation x - x - x. Demands for payment on the running account balance were made upon the defendants but despite such demands, they failed and refused to settle their obligation. In its letter both dated February 17, 1999 for defendants Loreto and Elpidio x - x - x, plaintiff further demanded for defendants to settle their obligation which amounted to P57,759.51 exclusive of penalty charges. Defendant, however, did not pay. As of September 26, 2001 the total obligation of defendant Spouses amounted to P332,722.51 x - x - x.

Likewise, on November, 1998, defendant Loreto with the marital consent of Elpidio, applied with the plaintiff for the issuance of a Metrobank Visa Peso and Dollar Credit card x - x - x. Her application was approved and she was then issued Metrobank Visa Card No. 4311 7900 0365 3005 authorizing her to purchase on credit goods and services from the plaintiff's accredited establishments.

Loreto, also, made use of her Metro Visa Account by purchasing goods and services from the plaintiff's various accredited establishments. x - x - x

It has been established that as of February 15, 1999 Loreto's Metrobank Visa Dollar account obligation amounted to \$10,953.02 x - x - x, while her Metrobank Visa Peso account obligation amounted to P9,234.43 x - x - x. Plaintiff sent monthly billing statements to defendant Loreto and demanded for the payment on the running balances upon her. Despite such demands, she failed and refused to settle her obligation.

In a letter dated February 16, 1999 x - x - x plaintiff further demanded for the settlement of Loreto's Peso and Dollar obligations which amounted to P9,234.43 and \$10,953.02. As of September 26, 2001, defendant Loreto's Metrobank Visa Peso account amounted to P54,073.60, while her Dollar Account obligation amounted to \$40,719.13 inclusive of interest, penalty charges and attorney's fees x - x - x. Defenants (sic) still failed and refused to settle their obligation. Consequently, on March 30, 1999, plaintiff filed the present action before this Court against herein defendants Loreto V. Uy and Elpidio S. Uy."^[3]

After trial, the court *a quo* issued the assailed Decision dated December 23, 2002 , the dispositive portion of which reads:

"WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendants, as follows:

1. Ordering defendants to pay plaintiff jointly and severally the amount of P9,234.43 and US\$10,953.02 under Metrobank Visa Peso and Dollar Account No. 4311 7900 0365 3005 plus interest thereon at the rate of twelve (12%) percent per annum starting February 16, 1999, the date of first demand, until the amount is fully paid.
2. Ordering defendants to pay plaintiff jointly and severally the amount of P58,580.58 under Unicard Account No. 8000 4000 0332 4006 plus interest thereon at the rate of twelve (12%) percent per annum starting February 17, 1999, the date of first demand, until the amount is fully paid.
3. Ordering defendants jointly and severally to pay plaintiff the amount of P50,000.00 representing reasonable attorney's fees;
4. With costs against the defendants.

SO ORDERED."

On April 28, 2003, petitioners filed a Petition for Relief from Judgment and Opposition to the Motion for Execution^[4] on the ground of mistake, accident or excusable negligence, claiming that due to their former counsel's^[5] gross negligence in handling their case before the court *a quo*, they only learned of the aforesaid Decision on April 23, 2003 and were thus precluded from availing of the remedies provided under the Rules of Court. The trial court however dismissed the said petition in its Order of April 30, 2004, the dispositive portion of which reads:

"Premises considered, the petition is hereby ordered DISMISSED. Without pronouncement as to costs.

Defendants having not filed a motion for new trial or appeal, thereby rendering the decision dated December 23, 2002 final and executory, plaintiff's Motion for Execution is hereby GRANTED. Let a writ of execution be issued.

SO ORDERED."

Not satisfied with the aforementioned Decision and Order, petitioners via the instant petition elevated the matter to this Court raising the following issues:^[6]

"WHETHER OR NOT THE RESPONDENT JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN RENDERING THE DECISION, DATED 23 DECEMBER 2002.

WHETHER OR NOT THE RESPONDENT JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN ISSUING THE 30 APRIL 2004 ORDER DISMISSING HEREIN PETITIONERS' PETITION FOR RELIEF FROM JUDGMENT."

The petitioners assert that public respondent acted with grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the assailed Decision and Order. According to them, the public