

SECOND DIVISION

[G.R. No. 213893, September 25, 2019]

NATIONAL POWER CORPORATION AND NATIONAL POWER BOARD, PETITIONERS, VS. EMMA Y. BAYSIC AND NARCISA G. SANTIAGO, RESPONDENTS.

DECISION

LAZARO-JAVIER, J.:

Antecedents

Proceedings Before the Trial Court

On July 12, 2007, private respondents Emma Y. Baysic and Narcisa G. Santiago, for themselves and in representation of four hundred eighty-eight (488) retirees of petitioner National Power Corporation (NPC) filed with the Regional Trial Court, Quezon City – Branch 83 a Petition for *Mandamus* with Prayer for Accounting and Motion for Evidentiary Hearing pertaining to their alleged gratuity pay and financial assistance as retired employees of the NPC which had accrued to them before the enactment of Republic Act No. 9136 (RA 9136) or the Electric Power Industry Reform Act (EPIRA).^[1]

In their Answer dated October 17, 2008, petitioners averred, among others, that their obligation to provide financial assistance and other benefits only applied to NPC personnel who were employed with government service as of the enactment of the EPIRA law.^[2]

On November 12, 2008, private respondents moved to strike out petitioners' Answer for having been improperly verified. There was allegedly no proof that Atty. Melchor P. Ridulme, NPC Vice-President and General Counsel, was authorized to cause the preparation and filing of the Answer and that the verification was not done in accordance with Section 4, Rule 7 of the Rules of Court.^[3]

By Order dated January 30, 2009, the trial court directed petitioners' Answer to be expunged from the records for being a mere scrap of paper.^[4]

Under Order dated November 5, 2009, the trial court declared petitioners in default.^[5]

Petitioners subsequently moved to lift the Order of Default and to Admit Attached Answer which the trial court denied by its Order dated May 18, 2010.^[6]

Proceedings Before the Court of Appeals

Aggrieved, petitioners went to the Court of Appeals via a Petition for *Certiorari* and Prohibition.^[7]

Meantime, the trial court rendered a default judgment against petitioners.^[8]

Thereupon, petitioners amended their petition, this time, including as one of the assailed trial court's dispositions the Default Judgment.^[9]

On the other hand, private respondents filed an *Ex Abundanti Cautela Motion to Strike Out Petition* claiming that the Amended Petition for *Certiorari* was improper since the remedy of appeal from the decision of the trial court was actually available to petitioners, thus precluding them from availing of the remedy of *certiorari*.^[10]

By Resolution dated March 4, 2014, the Court of Appeals granted the *Ex Abundanti Cautela Motion to Strike Out Petition* and accordingly dismissed the Amended Petition.^[11]

The Court of Appeals ruled that petitioners improperly availed of the petition for *certiorari* as a remedy considering that a party declared in default retained the right to appeal from the trial court's default judgment. Since the remedy of appeal was in fact available, petitioners' Amended Petition for *Certiorari* should be dismissed.^[12]

By Resolution dated August 11, 2014, petitioners' motion for reconsideration was denied.^[13]

The Present Petition

Petitioners now seek affirmative relief from the Court and pray that the assailed dispositions of the Court of Appeals be reversed and a new one rendered declaring petitioners' Amended Petition for *Certiorari* and Prohibition to be a proper remedy against the trial court's Default Judgment.

Ruling

Petitioners argue that contrary to the Court of Appeals' ruling, a petition for *certiorari* is the proper remedy where a party imputes grave abuse of discretion on the trial judge who improvidently declared them in default and consequently rendered a default judgment against them.^[14]

They further assert that the trial court erred in considering their Answer as an unsigned pleading in view of its alleged lack of proper verification.^[15]

We grant the petition.

True, in cases of default judgments, the remedy of the party declared in default is appeal. But when that party charges the trial court with grave abuse of discretion amounting to excess of jurisdiction in declaring this party in default and eventually rendering judgment against it, the extraordinary remedy of *certiorari* under Rule 65 of the Rules of Court may be availed of.