

THIRD DIVISION

[G.R. No. 181186, February 03, 2016]

**SIGUION REYNA MONTECILLO AND ONGSIAKO LAW OFFICES,
PETITIONER, VS. HON. NORMA CHIONLO-SIA, IN HER CAPACITY
AS PRESIDING JUDGE OF BRANCH 56 OF THE REGIONAL TRIAL
COURT OF LUCENA CITY, AND THE TESTATE ESTATE OF
DECEASED SUSANO RODRIGUEZ, REPRESENTED BY THE SPECIAL
ADMINISTRATRIX, RESPONDENTS.**

D E C I S I O N

JARDELEZA, J.:

We resolve the core issue of whether a law firm acting as counsel for one of the parties in the intestate proceedings *a quo* can file a petition for *certiorari* before the Court of Appeals to protect its own interests.

I

Petitioner Siguion Reyna Montecillo & Ongsiako Law Offices (*SRMO*) acted as counsel for Remedios N. Rodriguez (*Remedios*) when she commenced an action for the intestate settlement of the estate of her deceased husband Susano J. Rodriguez before the Regional Trial Court (*RTC*) of Lucena City. Her action was docketed as Sp. Proc. No. 4440.^[1] During the pendency of the intestate proceedings, Remedios asked for the payment of widow's allowance. This, however, was denied by the RTC in an Order dated August 8, 1983.^[2] On review, the Court of Appeals (*CA*) promulgated a decision reversing the RTC's Order and granted Remedios a monthly widow's allowance of P3,000.00 effective August 1982.^[3]

On February 29, 1988, while the case was pending before the *CA*, Remedios executed a Deed of Sale of Inheritance (*Deed of Sale*) wherein she agreed to sell all her rights, interests and participation in the estate of Susano J. Rodriguez to a certain Remigio M. Gerardo (*Gerardo*) in consideration of P200,000.00.^[4]

As a condition subsequent to the sale, Remedios, on March 1, 1988, executed a special power of attorney^[5] (*SPA*) authorizing Gerardo to, among others, "receive from any person, entity, government agency or instrumentality, or from any court, any property, real or personal, cash, checks or other commercial documents which may be due to me or payable to me by virtue of any contract, inheritance or any other legal means," and to "receive said property... in his own name and for his own account and to deposit the same at his sole discretion for his own account, and dispose of [the] same without any limitation."^[6] Gerardo later on executed a document titled as "Substitution of Attorney-in-Fact,"^[7] where he designated *SRMO* as substitute attorney pursuant to the power of substitution granted to him in the earlier *SPA*. Gerardo subsequently executed his own *SPA* authorizing *SRMO* "[t]o

appear... and represent [Gerardo] in any and all proceedings and incidents in the aforementioned case."^[8]

After the CA's decision regarding the widow's allowance became final and executory, SRMO, on April 24, 1991, accordingly filed a motion with the RTC for the payment of the allowance then amounting to a total of P315,000.00.^[9] A few months after, the Estate of Deceased Susano J. Rodriguez (*Estate*) remitted to SRMO three (3) checks totaling this amount.^[10]

A Partial Project of Partition of the Estate dated January 10, 1997^[11] was approved by the RTC on January 20, 1997.^[12] Sometime in 2002, Remedios filed an "Urgent Omnibus Motion and Notice of Termination of the Services of Petitioner's Counsel of Record."^[13] Therein, Remedios questioned the RTC's Order approving the partition and denied the execution of the Deed of Sale in favor of Gerardo. She also demanded that SRMO return the amount it received from the partition.^[14] Before the motion could be resolved, however, Remedios filed a Notice of Withdrawal of the same motion.^[15]

The withdrawal of the motion notwithstanding, the RTC, in an Order dated August 21, 2003, *motu proprio* directed SRMO to reimburse the Estate the amount of P315,000.00 representing the widow's allowance it received in 1991.^[16]

In its Explanation with Motion to Excuse Reimbursement,^[17] SRMO moved to be excused from reimbursing the Estate. According to SRMO, when it sought the payment of the widow's allowance, it was merely seeking the enforcement of a judgment credit in favor of its client, Remedios, who had, in turn, sold her interests to Gerardo, also represented by SRMO.^[18]

In its Order dated December 22, 2003, the RTC denied SRMO's motion.^[19] It disagreed with SRMO's position because (1) "the sale of inheritance was never made known" to the RTC and that (2) the sale cannot comprehend a widow's allowance because such allowance is "personal in nature."^[20]

Aggrieved by the RTC's orders, SRMO elevated the case to the CA through a petition for *certiorari*.^[21] SRMO argued that it merely acted as representative of Gerardo, Remedios' successor-in-interest, when it received the sum corresponding to the widow's allowance.^[22] Without going into the merits of the case, however, the CA denied SRMO's petition on the ground that the latter was not a party in the case before the lower court and therefore had no standing to question the assailed order.^[23] The CA later denied SRMO's motion for reconsideration.^[24]

SRMO is now before this Court contending that while it was not a party in the intestate proceedings, it is nevertheless an "aggrieved party" which can file a petition for *certiorari*. It claims that the RTC's order of reimbursement violated SRMO's right to due process. SRMO further argues that the RTC erred in ordering it to reimburse the widow's allowance since SRMO received said allowance only in favor of Gerardo as buyer of Remedios' interests pursuant to the Deed of Sale.

In its Comment, the Estate maintains that SRMO has no standing to file the petition

for *certiorari* as it is not "the real party in interest who stands to lose or gain from the verdict [that] the Court may hand in the case at bar."^[25] Having only acted in the proceedings below as counsel for Remedios and, upon transfer of interest, for Gerardo, SRMO had no personality independent of its client.^[26] Recognizing that SRMO received the amount not for its own benefit but only in representation of its client, the Estate claims that SRMO is only being made to return the amount it received for and in behalf of its client; it is not being made to pay out of its own pocket.^[27] The Estate also asserts that since Remedios already sold her share in the estate to Gerardo on February 29, 1988, she was no longer entitled to any widow's allowance from that time on.^[28]

II

Section 1, Rule 65 of the Rules of Court provides in full:

Section 1. *Petition for certiorari*. — When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess of its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law, **a person aggrieved thereby may file a verified petition in the proper court**, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such tribunal, board or officer, and granting such incidental reliefs as law and justice may require.

The petition shall be accompanied by a certified true copy of the judgment, order or resolution subject thereof, copies of all pleadings and documents relevant and pertinent thereto, and a sworn certification of non-forum shopping as provided in the third paragraph of section 3, Rule 46.

(Emphasis supplied.)

The "aggrieved party" referred to in the above-quoted provision is one who was a party to the original proceedings that gave rise to the original action for *certiorari* under Rule 65. In *Tang v. Court of Appeals*,^[29] we explained:

Although Section 1 of Rule 65 provides that the special civil action of *certiorari* may be availed of by a "person aggrieved" by the orders or decisions of a tribunal, **the term "person aggrieved" is not to be construed to mean that any person who feels injured by the lower court's order or decision can question the said court's disposition via *certiorari***. To sanction a contrary interpretation would open the floodgates to numerous and endless litigations which would undeniably lead to the clogging of court dockets and, more importantly, the harassment of the party who prevailed in the lower court.

In a situation wherein the order or decision being questioned underwent adversarial proceedings before a trial court, the "person aggrieved" referred to under Section 1 of Rule 65 who can avail of the special civil action of *certiorari* pertains to one

who was a party in the proceedings before the lower court. The correctness of this interpretation can be gleaned from the fact that a special civil action for *certiorari* may be dismissed *motu proprio* if the party elevating the case failed to file a motion for reconsideration of the questioned order or decision before the lower court. Obviously, only one who was a party in the case before the lower court can file a motion for reconsideration since a **stranger to the litigation would not have the legal standing to interfere in the orders or decisions of the said court.** In relation to this, if a non-party in the proceedings before the lower court has no standing to file a motion for reconsideration, logic would lead us to the conclusion that he would likewise have no standing to question the said order or decision before the appellate court via *certiorari*.^[30]

(Emphasis supplied.)

The general rule, therefore, is that a person **not** a party to the proceedings in the trial court cannot maintain an action for *certiorari* in the CA or the Supreme Court to have the order or decision of the trial court reviewed. Under normal circumstances, the CA would have been correct in dismissing a petition for *certiorari* filed by a non-party. The peculiar facts of this case, however, call for a less stringent application of the rule.

The facts show that SRMO became involved *in its own capacity* only when the RTC ordered it to return the money that it received on behalf of its client. The order of reimbursement was directed to SRMO *in its personal capacity*—not in its capacity as counsel for either Remedios or Gerardo. We find this directive unusual because the order for reimbursement would typically have been addressed to the parties of the case; the counsel's role and duty would be to ensure that his client complies with the court's order. The underlying premise of the RTC's order of reimbursement is that, logically, SRMO kept or appropriated the money. But the premise itself is untenable because SRMO never claimed the amount for its own account. In fact, it is uncontroverted that SRMO only facilitated the transfer of the amount to Gerardo.^[31]

Under the law of agency, an agent is not personally liable for the obligations of the principal unless he performs acts outside the scope of his authority or he expressly binds himself to be personally liable.^[32] Otherwise, the principal is solely liable. Here, there was no showing that SRMO bound itself personally for Gerardo's obligations. SRMO also acted within the bounds of the authority issued by Gerardo, as the transferee *pendente lite* of the widow's interest, to receive the payment.^[33]

It appears that the RTC's primary justification for ordering SRMO to return the money from its own pocket is due to the latter's failure to formally report the transfer of interest from Remedios to Gerardo.^[34] While it certainly would have been prudent for SRMO to notify the RTC, the Rules of Court do not require counsels of parties to report any transfer of interest. The Rules do not even mandate the substitution of parties in case of a transfer of interest. Rule 3, Section 19 of the Rules of Court provides:

Section. 19. *Transfer of interest.* — In case of any transfer of interest, the action may be continued by or against the original party, unless the

court upon motion directs the person to whom the interest is transferred to be substituted in the action or joined with the original party.

Otherwise stated, unless the court upon motion directs the transferee *pendente lite* to be substituted, the action is simply continued in the name of the original party. For all intents and purposes, the Rules already consider Gerardo joined or substituted in the proceeding *a quo*, commencing at the exact moment when the transfer of interest was perfected between original party-transferor, Remedios, and the transferee *pendente lite*, Gerardo.^[35]

Given the foregoing, we find that the RTC was unjustified in ordering SRMO, in its own capacity, to return the money to the Estate despite the fact, as certified to by Gerardo's heirs, that SRMO had already accounted for all monies or funds it had received on its client's behalf to Gerardo.^[36] If the RTC was convinced that the Estate had a right to reimbursement, it should have ordered the party who ultimately benefited from any unwarranted payment—not his lawyer—to return the money.

While the general rule laid down in *Tang* (which limits the availability of the remedy of *certiorari* under Rule 65 only to parties in the proceedings before the lower court) must be strictly adhered to, it is not without exception. In *Republic v. Eugenio, Jr.*,^[37] we allowed the wife of a respondent in two cases filed by the Anti-Money Laundering Council (AMLC) to challenge via *certiorari* the inquiry orders issued by the respective regional trial courts. There, we found that the wife had adequately demonstrated her joint ownership of the accounts subject of the inquiry orders. Thus, notwithstanding the fact that she was not named as a respondent in the cases filed by the AMLC or identified as a subject of the inquiry orders, we ruled that her joint ownership of the accounts clothed her with standing to assail, via *certiorari*, the inquiry orders authorizing the examination of said accounts in violation of her statutory right to maintain said accounts' secrecy.^[38]

Considering that the RTC's order of reimbursement is specifically addressed to SRMO and the established fact that SRMO only received the subject money in its capacity as counsel/agent of Gerardo, there is then more reason to apply the exception here. Unlike *Tang*, which involved neighboring lot owners as petitioners, SRMO's interest can hardly be considered as merely incidental. That SRMO is being required to reimburse *from its own coffers* money already transmitted to its client is sufficient to give SRMO **direct** interest to challenge the RTC's order. Neither can SRMO be considered a total stranger to the proceedings. We have stated in one case that "a counsel becomes the eyes and ears in the prosecution or defense of his or her client's case."^[39] This highly fiduciary relationship between counsel and client makes the party/non-party delineation prescribed by *Tang* inadequate in resolving the present controversy.

As a corollary, we have, in a number of instances, ruled that technical rules of procedures should be used to promote, not frustrate, the cause of justice. Rules of procedure are tools designed not to thwart but to facilitate the attainment of justice; thus, their strict and rigid application may, for good and deserving reasons, have to give way to, and be subordinated by, the need to aptly dispense substantial justice in the normal cause.^[40] In this case, ordering SRMO to reimburse the widow's allowance from its own pocket would result in the unjust enrichment of Gerardo,