

SECOND DIVISION

[G.R. No. 128421, January 26, 1998]

TRANS INTERNATIONAL, PETITIONER, VS. THE COURT OF APPEALS; NATIONAL POWER CORPORATION; PERLA A. SEGOVIA AND GILBERTO PASTORAL, RESPONDENTS.

D E C I S I O N

MARTINEZ, J.:

Challenged in this petition for review by way of certiorari is the decision^[1] of the Court of Appeals which set aside the order of the trial court and directed the latter to give due course to the notice of appeal of respondents. The motion for reconsideration filed by petitioner was likewise denied on January 31, 1997.^[2]

The facts which gave rise to the instant petition are as follows;

Petitioner Trans International filed a complaint for damages against respondent National Power Corporation (NAPOCOR for brevity) and two of its principal officers arising from the rescission of a contract for the supply and delivery of woodpoles before the Regional Trial Court of Quezon City which was docketed as Civil Case No. Q-94-20960.

On May 22, 1996, the trial court rendered a decision sustaining the claim of petitioner corporation.^[3] It awarded to petitioner the following amounts: \$1,325,703.65 representing the amount of profit which it could have enjoyed had the contract been observed; \$10,000.00 for expenses incurred by petitioner's local agent in the preparation and execution of the contract; P932,102.53 representing the combined premium paid by petitioner for the bidder's bond, performance bond and surety bond; and P200,000.00 as attorney's fees.

A copy of the aforesaid decision was received by respondents on June 6, 1996. On June 19, 1996, respondents filed their motion for reconsideration alleging in the main that certain facts were overlooked, ignored or wrongly appreciated by the trial court.^[4] An opposition to said motion was filed by petitioner on July 11, 1996.^[5] On August 2, 1996, the trial court issued an order denying the motion for reconsideration.^[6] A copy of the aforesaid order was personally delivered to respondent NAPOCOR'S office on August 23, 1996 (Friday) and was received by Ronald T. Lapuz, a clerk assigned at the office of the VP-General Counsel.

Considering that it was almost 5:00 p.m., Lapuz placed the said order inside the drawer of his table. However, on August 26 and 27, 1996 (Monday and Tuesday, respectively) said clerk was unable to report for work due to an illness he suffered as a result of the extraction of his three front teeth. Said order was retrieved from his drawer only in the afternoon of the 27th and was immediately forwarded to the

secretary of Atty. Wilfredo J. Collado, counsel for the respondents. At 3:10 p.m. that same day, respondents thru counsel filed their notice of appeal.^[7]

On August 29, 1996, petitioner filed a motion for execution before the trial court contending that its decision dated May 22, 1996 had become final and executory since respondents failed to make a timely appeal and praying for the issuance of an order granting the writ of execution.^[8] On the other hand, respondents filed an opposition thereto alleging therein that the cause of their failure to make a timely appeal was due to unforeseeable oversight and accident on the part of their employee who was unable to report for work because of illness.^[9] On September 9, 1996 petitioner filed a reply to said opposition.^[10] On September 11, 1996 respondents' counsel filed a supplemental opposition to the motion for execution attaching thereto the affidavit of Lapuz.^[11] Finally, on September 18, 1996, respondents filed their rejoinder to said reply.^[12]

On September 13, 1996, the trial court issued an order denying respondents notice of appeal and granting the motion for execution filed by petitioner, the dispositive portion of which reads, to wit:

" WHEREFORE, the foregoing circumstances having been considered, this Court is constrained to DENY defendants' NOTICE OF APPEAL for having been filed out of time.

"Consequently, plaintiff's motion for execution of the Court's decision dated May 22, 1996 is hereby GRANTED, let a Writ of Execution be issued the same to be enforced by deputy sheriff Efren V. Cachero.

SO ORDERED."^[13]

On September 20, 1996, respondents filed a petition for certiorari before the Court of Appeals questioning the validity of the issuance of the aforesaid order on the ground that the denial of their notice of appeal was on the basis of a mere technicality and that the writ of execution should not have been issued since there are strong considerations which militate the strict application of the rules on procedure.^[14] Petitioner corporation filed its comment to the petition dated September 25, 1996 claiming that the event which happened in respondents' office does not amount to an honest mistake nor an unavoidable accident that would legally excuse their neglect.^[15]

On October 21, 1996, the respondent Court rendered its decision, the dispositive portion of which reads, to wit:

"WHEREFORE, the petition is GRANTED DUE COURSE. The assailed order dated September 13, 1996 is ANNULLED and SET ASIDE. Respondent court is ordered to give due course to petitioners' appeal.

SO ORDERED."

The motion for reconsideration filed by petitioner corporation was denied for lack of merit, hence, a recourse to this court on a petition for review by way of a petition for certiorari.^[16]

Petitioner avers that the respondent court committed grave abuse of discretion amounting to lack or excess in jurisdiction when it gave due course to the petition of respondents considering their admission that the notice of appeal was belatedly filed before the trial court. Since the ground submitted by respondents for their late filing does not constitute excusable neglect then the respondent court allegedly grievously erred in admitting the same. Furthermore, petitioner argues that appeal is not a natural right and is merely a statutory privilege which must be exercised within and in the manner provided by law. Failure to do so is fatal and the right of appeal would be lost. Respondents, while admitting that the appeal was filed out of time, maintain that the rules on appeal should not be construed in such a manner as to give way to its rigid application without even considering the circumstances which led to the belated filing of the notice of appeal. In fact, it is argued, this Court has on several occasions, recognized the need to relax the stringent rules on appeal on reasons of equity and substantial justice. We find for the respondent.

The general rule holds that the appellate jurisdiction of the courts is conferred by law, and must be exercised in the manner and in accordance with the provisions thereof and such jurisdiction is acquired by the appellate court over the subject matter and parties by the perfection of the appeal.^[17] The party who seeks to avail of the same must comply with the requirements of the rules. Failing to do so, the right to appeal is lost.^[18] In fact, it has been long recognized that strict compliance with the Rules of Court is indispensable for the prevention of needless delays and for the orderly and expeditious dispatch of judicial business.^[19]

Nonetheless, this court has on several occasions relaxed this strict requirement. In the case of Toledo, et al. vs. Intermediate Appellate Court, et al.,^[20] we allowed the filing of an appeal where a stringent application of the rules would have denied it, but only when to do so would serve the demands of substantial justice and in the exercise of our equity jurisdiction. Thus, for a party to seek exception for its failure to comply strictly with the statutory requirements for perfecting its appeal, strong compelling reasons such as serving the ends of justice and preventing a grave miscarriage thereof must be shown, in order to warrant the Court's suspension of the rules.^[21] Indeed, the court is confronted with the need to balance stringent application of technical rules vis-a-vis strong policy considerations of substantial significance to relax said rules based on equity and justice.

The case at bench squarely meets the requisites postulated by the aforequoted rule. If respondents' right to appeal would be curtailed by the mere expediency of holding that they had belatedly filed their notice of appeal, then this Court as the final arbiter of justice would be deserting its avowed objective, that is to dispense justice based on the merits of the case and not on a mere technicality. Needless to say, the peculiar circumstances attendant in this case strongly demands a review of the decision of the trial court. As aptly observed by the respondent court, to wit:

"In this case, the one-day delay in filing the notice of appeal was due to an unforeseen illness of the receiving clerk Ronald Lapuz in the office of the General Counsel of petitioner NAPOCOR. As stated in the affidavit of said clerk, which was presented to the trial court, he received a copy of the Order of respondent judge dated August 2, 1996 at 4:54 p.m., Friday, August 23, 1996; since it was already almost 5:00 p.m., he