Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

PNB-REPUBLIC BANK (MAYBANK PHILIPPINES, INCORPORATED), *Petitioner,*	G.R. No. 196323
	Present:
- *versus* -	LEONEN, *J.*, *Chairperson*, HERNANDO, LAZARO-JAVIER,* DELOS SANTOS, and LOPEZ, J. Y., *JJ.*
	Promulgated:
REMEDIOS SIAN-LIMSIACO, *Respondent.*	February 8, 2021

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DECISION

HERNANDO, *J.*:

This Petition for Review on *Certiorari*[1] seeks to set aside the April 30, 2010 Decision[2] of the Court of Appeals (CA) in CA-G.R. CV No. 80268 denying the appeal of petitioner Maybank Philippines, Inc. (Maybank; formerly known as PNB-Republic Bank), as well as its March 16, 2011 Resolution[3] denying Maybank's Motion for Reconsideration.[4]

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* Designated as additional Member per raffle dated September 30, 2020 vice *J.* Inting who recused himself since his sister (then Associate Justice of the Court of Appeals, Socorro B. Inting) penned the assailed Decision of the Court of Appelas.

[1] *Rollo*, pp. 27-60.

[2] Id. at 10-19; penned by Associate Justice Socorro B. Inting and concurred in by Associate Justices Edwin D. Sorongon and Ramon A. Cruz.

[3] Id. at 20-21.

[4] CA *rollo*, pp. 110-119.

The antecedents as culled from the assailed CA Decision are as follows:

Sometime in 1979, respondent Remedios Sian-Limsiaco (Remedios) obtained a ₱142,500.00 sugar crop loan from Maybank which was payable within one year.[5] Through a Special Power of Attorney (SPA), Remedios executed a Real Estate Mortgage (REM) on the following parcels of land:

(a) Lot 8, covered by Transfer Certificate of Title No. (TCT) T-74488, which is owned by Sian Agricultural Corporation;

(b) Lot 1, covered by TCT No. 55619, which is owned by spouses Sebastian and Marina de la Pena.[6]

Subsequently in 1982, Remedios and her son Roy Sian-Limsiaco (Roy) obtained another sugar crop loan for ₱307,700.00 which was likewise due after one year. Through another SPA, Roy executed a REM on the following parcels of land owned by Spouses Jerome Gonzales and Perla Sian-Gonzales:

(a) Lot 214, covered by TCT No. T-121539;

(b) Lot 215, covered by TCT No. T-121540;

(c) Lot 213-B, covered by TCT No. T-121541;

(d) Lot 96, covered by TCT No. T-80515.[7]

Likewise, in 1984, Remedios obtained another sugar crop loan for ₱110,000.00 also secured by a REM on Lot 8 owned by Sian Agricultural Corporation.[8]

Maybank never demanded payment of the above sugar crop loans nor filed a case to collect or foreclose the mortgage.[9]

Thus, on June 29, 2001 or after a lapse of 17 years, Remedios and Roy filed a Petition[10] before the Regional Trial court (RTC), Branch 56 of Himamaylan, Negros Occidental, to cancel the liens annotated on the titles of the mortgated properties on grounds of prescription and extinction of their loan obligation.

Maybank referred the case to the Philippine National Bank (PNB) to which it had assigned its assets and liabilities including its receivables. [11]

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5 *Rollo*, p. 11.
6 Id.
7 Id. at 11-12.
8 Id. at. 12.
9 Id.
10 Records, pp. 1-17.
11 Id. at 34-36; see Motion for Substitution and Motion to Dismiss.

Hence, by virtue of the Deed of Assignment dated July 20, 1998,[12] Maybank argued that PNB should be treated as substitute respondent. Unconvinced and not satisfied with the aforementioned Deed of Assignment, the RTC required additional documents to justify the substitution, which PNB failed to provide.[13] Consequently, the RTC denied the Motion for Substitution.[14]

Thereafter, Atty. Kenneth Alovera (Atty. Alovera), for and on behalf of the PNB, filed a Motion to Dismiss on Demurrer to Evidence[15] which the trial court denied, in view of Atty. Alovera's failure to submit proof that he was authorized to appear on Maybank's behalf.[16] Subsequently, the receivables were transferred to the *Bangko Sentral ng Pilipinas* (BSP).[17]

Ruling of the Regional Trial Court:

On June 24, 2003, the trial court issued an Order[18] in respondent's favor, to wit:

> WHEREFORE, in view of the foregoing considerations, the petition is hereby GRANTED. The mortgage contracts hereinunder enumerated as annotated in the respective Certificates of Title of the properties mortgaged, are hereby declared unenforceable and of no force and effect due to prescription.
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> x x x x
>
> The Register of Deeds of Bacolod City is hereby directed to cancel Entry Nos. 99726, 122381, 130934 as annotated at the back of TCT No. T-74488 covering Lot 8 and the same entries annotated at the back of T-55619 covering Lot 1, without need of presenting the original owner's duplicate title.
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> Likewise, the Register of Deeds of the Province of Negros Occidental, is also directed to cancel Entry No. 288015 annotated at the back of TCT No. T-121539 covering Lot 214; the same entry annotated at the back of TCT No. T-121543 covering Lot 215; the same number of entry annotated at the back of TCT No. T-121541 covering Lot 213-B; and the same number of entry annotated at the back of TCT No. T-80515 covering Lot 96, all of Himamaylan Cadastre, without the need of presenting the original owner's duplicate copies of the respective titles.
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> SO ORDERED.[19]

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[12] Id. at 44-50.
[13] Id. at 81; see March 12, 2002 Order of the Regional Trial Court of Himamaylan, Negros Occidental, Branch 56.
[14] Id. at 137; see June 6, 2002 Order of the Regional Trial Court of Himamaylan, Negros Occidental, Branch 56.
[15] Id. at 125-126.
[16] Records, pp. 143-145; see February 5, 2003 Order.
[17] *Rollo*, p. 13.
[18] Records, pp. 166-172; penned by Presiding Judge Edgardo L. Catilo.
[19] Id. at 171-172.

Ruling of the Court of Appeals:

Aggrieved, Maybank raised the following issues in its appeal with the CA: 1) Did the trial court err in taking cognizance of the case and in granting the petition even if the same was not filed in the name of the real parties in interest, *e.g.* the registered owners of the properties mortgaged and BSP as the assignee of the receivable assets—in violation of Section 2, Rule 3 of the Rules of Court?; 2) Did the trial court err in granting the petition even if Remedios had no cause of action against Maybank; and 3) Are the owners of the properties mortgaged bound by the trial court's judgment despite the failure to make them parties to the case?[20]

On April 30, 2010, the CA issued a Decision[21] denying Maybank's appeal, the dispositive portion of the ruling states:

> WHEREFORE, premises considered, the appeal is hereby DENIED. The assailed Order dated June 24, 2003 of the Regional Trial Court (RTC), 6th Judicial Region, Branch 56, Himamaylan City, Negros Occidental in Cadastral Case No. 21 granting the petition is AFFIRMED IN TOTO.
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> No costs.
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> SO ORDERED.[22]

Maybank filed a Motion for Reconsideration[23] challenging the above Decision but the same was denied in a Resolution[24] dated March 16, 2011 issued by the appellate court.

Hence, Maybank filed the instant petition, which, in essence, raised the following -

Issues:

> 1) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment despite the respondent being not the real parties-in-interest, hence having no cause of action against petitioner;
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> 2) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment despite the respondents lacking authority to institute the instant suit, hence, lacking the legal capacity to sue; and
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> 3) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment cancelling the mortgage liens of Maybank despite the non-inclusion of an indispensable party, the BSP.[25]

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[20] *See rollo*, pp. 13-14.
[21] Id. at 10-19.
[22] Id. at 18-10.
[23] CA *rollo*, pp. 110-119.
[24] *Rollo*, pp. 20-21.
[25] Id. at 40-41.

Our Ruling

We deny the Petition.

Petitioner raised questions of law which may be reviewed by this Court.

Before delving into the substantive issues of the case, we find it proper first to discuss the sole argument raised in respondent's Comment, which is that this petition must be dismissed for not raising questions of law.[26]

Particularly, respondent posits that the questions raised by petitioner as to "who are the real parties in interest and who are the indispensable parties" are questions of fact outside of the scope of a Rule 45 petition for review on *certiorari*.[27]

Indeed, Section 1, Rule 45 of the Rules of Court provides that only questions of law, which must be distinctly set forth, shall be raised, to wit:

> Section 1. *Filing of petition with Supreme Court.* — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the *Sandiganbayan*, the Court of Tax Appeals, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition may include an application for a writ of preliminary injunction or other provisional remedies and shall raise only questions of law which must be distinctly set forth. The petitioner may seek the same provisional remedies by verified motion filed in the same action or proceeding at any time during its pendency. (Underscoring supplied)

The distinction between a question of law and a question of fact has been clear-cut. In *Tongonan Holdings and Development Corporation v. Escaño, Jr.*,[28] we held that:

> In Republic of the *Philippines v. Malabanan*, a question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. For a question to be one of law, the same must not involve an examination of the probative value of the evidence presented by the litigants or any of them. The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the question posed is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue raised without reviewing or evaluating the

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[26] Id. at 198-203.
[27] Id. at 200.
[28] 672 Phil. 747 (2011).

> evidence, in which case, it is a question of law; otherwise it is a question of fact.[29] (Underscoring supplied)

Here, the petition raised questions of law, contrary to respondent's broad assertions, which oversimplified and misunderstood some of the issues raised, such as the question as to who are the real-parties-in-interest. The said question begs us to discuss the legal definitions of "real[-]parties[-]in[-] interest" as applied to the undisputed facts.

To put it simply, some of the questions raised by petitioner are more geared towards the application of the law on civil procedure and civil law rather than simply identifying specific persons, which respondent seems to imply. Such legal questions obviously do not require an examination of the probative value of the evidence presented in order to come up with an answer to them.

Moreover, even assuming *arguendo* that the issues raised by petitioner are questions of facts, we are not totally precluded from reviewing the same. In *Salcedo v. People*,[30] we enumerated some exceptions to the general rule that only questions of law are reviewable in a Rule 45 petition, namely:

> (1) When the factual findings of the Court of Appeals and the trial court are contradictory;
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> (2) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures;
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> (3) When the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd or impossible;
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> (4) When there is grave abuse of discretion in the appreciation of facts;
>
> (5) When the appellate court, in making its findings, went beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;
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> (6) When the judgment of the Court of Appeals is premised on misapprehension of facts;
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> (7) When the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;
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> (8) When the findings of fact are themselves conflicting;
>
> (9) When the findings of fact are conclusions without citation of the specific evidence on which they are based; and

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[29] Id. at 756.
[30] 400 Phil. 1302 (2000).

> (10) When the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record.[31]

Thus, if any of the situations above are found to be present, this Court may validly review the factual findings of the lower courts notwithstanding the general rule that questions of facts are not allowed in a petition filed under Rule 45 as this Court is not a trier of facts. In this case however, there is no need to review the facts as the questions interposed by petitioner can be answered without disturbing the factual findings of the lower courts.

The issue of whether or not BSP is an indispensable party is a question of fact.

In *Gatan v. Vinarao,*[32] we have laid down the paramaters of a Rule 45 petition and reiterated the ruling in *Diokno v. Cacdac,*[33] that a reexamination of factual findings is outside the province of a petition for review on certiorari, to wit:

> It is aphoristic that a re-examination of factual findings cannot be done through a petition for review on certiorari under Rule 45 of the Rules of Court because as earlier stated, this Court is not a trier of facts[.] x x x. The Supreme Court is not duty-bound to analyze and weigh again the evidence considered in the proceedings below. This is already outside the province of the instant Petition for Certiorari.[34]

In view of the foregoing, we disregard the argument of whether the BSP is an indispensable party for being a question of fact.

While the question of "who is an indispensable party?" is not necessarily a question of fact *per se*, the instant petition hinges its assertions that the BSP is an indispensable party on the Deed of Assignment[35] dated July 20, 1998, which it presented to the RTC.[36] Both the appellate court[37] and the trial court[38] found nothing of probative value in the said Deed of Assignment, which was the sole piece of evidence presented as proof that BSP is an indispensable party.

Weighing the probative value of a piece of evidence is clearly a question of fact that calls for an appreciation of the evidence on record, and is obviously something that cannot be reviewed in a Rule 45 Petition. This is in

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31 Id. at 1308-1309.
32 820 Phil. 257 (2017).
33 553 Phil. 405 (2007).
34 *Gatan v. Vinarao*, supra at 266.
35 Records, pp. 44-50.
36 Rollo, at p. 12.
37 Id.
38 Records, pp. 168-169.

contrast to the other two main issues raised, both of which only call for a legal analysis of the undisputed facts and evidence on record.

Therefore, there being no compelling reason for us to depart from the factual findings of the lower courts that the Deed of Assignment was irrelevant, we do not see the necessity of discussing the issue of "whether or not BSP is an indispensable party" any further.

In any event, upon perusal of the Deed of Assignment[39] dated July 20, 1998, it was not even clear if the sugar crop loans in question were indeed assigned to BSP as no further evidence was presented. Moreover, at the time of assignment, the sugar crop loans (the latest of which was due and demandable after one year) were already unenforceable since nowhere in the petition did the petitioner deny ever demanding the respondent to pay her loans.

Respondent acted on behalf of the mortgagors-principals when she initiated the action to cancel the mortgages. There was no need to join such principals as the subject mortgage contracts were merely accessory contracts that were entered into for the purpose of securing respondent's loans and merely involved the right to foreclose upon the lands specified therein upon the fulfillment of certain contingencies, such as when there is default.

Petitioner essentially argues that the real parties-in-interest in the present action are the registered owners of the lands mortgaged and thus, since they were not impleaded in the case, any judgment resulting from such case should be considered as null and void.[40]

This argument is bereft of merit.

Preliminarily, it must be mentioned that the respondent has been acting on behalf of the mortgagors-principals throughout the whole course of the proceedings. Petitioner, despite having knowledge that respondent was not the registered owner of the mortgaged properties and was merely acting in her capacity as an agent of the mortgagors-principals, failed to raise the issue of

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[39] Id. at 44-50.
[40] *Rollo*, pp. 45-47.

joining these mortgagors-principals at the earliest opportunity, which is during the proceedings before the trial court.

Thus, the appellate court should not have even entertained the issue in the first place as "it is axiomatic that issues raised for the first time on appeal will not be entertained because to do so would be anathema to the rudiments of fairness and due process."[41]

Despite this, the CA, in its discretion, applied liberality and still ruled on the said issue, albeit against the petitioner who brought it up.[42] But, even assuming that it was proper to raise such issue at that stage, and for the CA to entertain the same, we must maintain that petitioner's argument itself holds no water.

Section 2, Rule 3, of the Rules of Court (the Rules) provides:

> Section 2. *Parties in interest.* — A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest. (Underscoring supplied)

Pertinently, Section 3 of the same Rule provides:

> Section 3. *Representatives as parties.* — Where the action is allowed to be prosecuted and defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be included in the title of the case and shall be deemed to be the real party in interest. A representative may be a trustee of an express trust, a guardian, an executor or administrator, or a party authorized by law or these Rules. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal. (Underscoring supplied)

Clearly, the Rules allow agents to bring actions for the principals in their own name without joining their principals, provided that the contract does not involve things belonging to the principal. As applied in this case, while it may seem that the mortgage contracts "involve" real property of the principals, such contracts are actually not of that nature.

To clarify, the mortgage contract itself does not involve real property, but merely the right to foreclose upon such real property should the necessary legal pre-conditions are met, such as a breach in the principal contract to which the mortgage is merely an accessory of.

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[41] *Punongbayan-Visitacion* v. *People*, 823 Phil. 212, 222-223 (2018).
[42] *Rollo*, pp. 17-19.

In fact, jurisprudence has already held that the action to cancel the mortgage is a personal action, as compared to an action to foreclose such mortgage, which is a real action that involves real property. In *Hernandez v. Rural Bank of Lucena, Inc. (Hernandez)*,[43] appellants therein contended that the action of the Spouses Hernandez for the cancellation of the mortgage on their lots was a real action affecting title to real property, which should have been filed in the place where the mortgaged lots were situated.

We pointed out in *Hernandez* that with respect to mortgage, the rule on real actions only mentions an action for foreclosure of a real estate mortgage.[44] It does not include an action for the cancellation of a real estate mortgage.[45] Using the legal maxim of *exclusio unios est inclusio alterius*, it was concluded that the latter thus falls under the catch-all provision on personal actions.[46]

If only to drive this point even further, it must be emphasized that whether or not the petition to cancel the mortgage liens was granted, no transfer or disposition of real property rights would have occurred either way. This is in contrast to a case involving the foreclosure of a mortgage, wherein property rights will clearly be transferred or at least be affected depending on the ruling of the court hearing such a case.

Therefore, since neither the subject mortgage contracts nor the instant case involved the mortgagors-principals' real property rights, there was no need to join them and hence, respondent validly instituted the action in her own name but still in her capacity as an agent of the mortgagors-principals.

In any event, we agree with the appellate court in its ruling that the joining of the mortgagors-principals would be unneccessary and moot as the evidence on record patently reveals that the main loan contracts have already been rendered unenforceable by virtue of prescription.[47] Given that the subject mortgage contracts are mere accessory contracts to the said loan contracts, then it follows that the action to foreclose on these mortgage contracts had also already prescribed. Therefore, there is no necessity in including the mortgagors-principals in the petition as the cancellation of the mortgages annotated on the titles was a result of the unenforceability of the principal loan.

The authority to encumber one's land title naturally includes the authority to perform acts to disencumber such title.

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[43] 171 Phil. 70 (1978).
[44] Id. at 79.
[45] Id.
[46] Id. at 79-80.
[47] *Rollo*, at 17.

In the assailed decision, the appellate court discussed that:

> It also bears stressing that when mortgagors Sian Agricultural Corporation, Sebastian and Marina de la Pena and Spouses Jerome Gonzales and Perla Sian-Gonzales as registered owners of Lots 1, 8, 214, 215,213-B and 96, respectively, authorized petitioner-appellee and her son Roy Sian Liamsiaco to mortgage their properties, they allowed a burden to be placed therein bearing the risk of losing it if the loans were not paid. It is because of this risk that mortgagors should be absolute owners, or, that special authority from the owners of the properties must be given before their properties can be encumbered through mortgage. Since the lifting of this encumbrance is a benefit that would free the owners of the risk of losing their properties, it is only a matter of course that the special power to mortgage includes the authority to discharge it from the burden.[48]

We share this logical view.

Article 1882 of the Civil Code expressly provides:

> Article 1882. The limits of the agent's authority shall not be considered exceeded should it have been performed in a manner more advantageous to the principal than that specified by him.

Given this and considering that respondent was already given special authority to encumber the mortgagors-principals' titles with the subject mortgage contracts, then it is indeed implicit that respondent is also authorized to do all the necessary acts to release the mortgagors-principals from such encumbrance. Thus, the filing of the instant case to cancel the mortgage liens, which were annotated in the mortgagor-principals' respective titles through the special authority granted by them to respondent, should be considered within the limits of respondent's authority since disencumbering the mortagagors-principals' titles of the same mortgage liens are obviously advantageous to the latter.

Moreover, records show that the registered owners of the mortgaged lands (alleged to be the real parties-in-interest) never questioned the authority of respondent all throughout the proceedings nor did they file any pleading or motion to that effect. In short, the real parties-in-interest effectively ratified the act of respondent of filing an action to cancel the mortgage.

To reiterate, unlike a foreclosure of a real estate mortgage, which involves real property rights, the cancellation of a real estate mortgage is merely personal in nature. In fact, the mortgaged properties do not even come into the picture until there is a default on the loan as the mortgage's purpose is merely to secure such loan.

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[48] Id. at 17-18.

There is no dispute that petitioner's right to collect from the subject loans has already prescribed. Thus, the RTC correctly ordered the cancellation of the mortgage liens, regardless of whether it acted as a cadastral court or a court of general jurisdiction.

There was never an issue as to the prescription of the loans. Throughout the proceedings, petitioner never refuted the fact that it never exercised its right to collect on the subject sugar crop loans for almost 16 years after the latest sugar crop loan's due date, nor did petitioner provide any proof that demand was made to respondent within the prescriptive period.

We are well aware of Our ruling in *Rehabilitation Finance Corporation v. Alto Surety & Insurance Co., Inc. (Rehabilitation Finance Corporation),*[49] that the Court of First Instance (the RTC in this case), in its special and limited jurisdiction as a land registration court, does not have the power to adjudicate issues properly pertaining to ordinary civil actions such as questions relating to the validity or cancellation or discharge of a mortgage. We held that said issue should be ventilated in an ordinary civil action. However, we are also aware that such a rule does admit of some exceptions.

In *Rehabilitation Finance Corporation*, we cited previous cases that laid down situations wherein the relief under Section 112 of the Land Registration Act may be allowed:

> The court a quo acted correctly in denying, under the circumstances, the petition to cancel the annotation of the second mortgage at the back of the title covering the property originally owned by Eustaquio Palma. It has been consistently held by this Court, that the relief afforded by Section 112 of the Land Registration Act may only be allowed if "there is a unanimity among the parties, or there is no adverse claim or serious objection on the part of any party in interest;" otherwise, the case becomes controversial and should be threshed out in an ordinary case. In another case, this Court has held that "Section 112 authorizes, in our opinion, only alterations which do not impair rights recorded in the decree, or alterations which, if they do prejudice such rights, are consented to by all parties concerned or alterations to correct obvious mistakes."[50] (Underscoring supplied)

Clearly, the situations above would not require a separate, ordinary action in order for the RTC, while acting as a cadastral court, to have jurisdiction to rule on the petition for the cancellation of the annotation of mortgages on the land titles covering the mortgaged lots. As applied in this

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[49] 107 Phil. 386, 390 (1960).
[50] Id. at 390.

case, there was no adverse claim or serious objection interposed by petitioner on the issue of prescription.

Respondent clearly alleged that the petitioner failed to exercise its right to collect on the subject sugar crop loans and that such failure rendered the mortgage contracts *functus officio*, unenforceable, and of no force and effect due to prescription and laches,[51] but nowhere in the records did petitioner deny such allegations nor did it present proof rebutting the same.

Moreover, the deletion of the mortgage liens would not even result in any prejudice to the petitioner, since its right to collect on the subject loans (of which the mortgages were merely accessory contracts thereof) had already prescribed.

Therefore, the RTC had acted well within its jurisdiction when it issued the order directing the cancellation of the subject mortgage liens, and consequently, the CA committed no error in affirming the RTC's decision containing such order *in toto*.

The parties' right to due process was not violated during the proceedings as they were given the same opportunities to present their own side as in an ordinary action. Technicalities may be set aside if strict application of the same would defeat the disposition of substantial justice.

Finally, it must be remembered that the rules of procedure was intended to facilitate the disposition of justice and not to hinder it.[52] In the case of *Ben Line Agencies Phils., Inc. v. Madson*,[53] we have reiterated this age-old doctrine, to wit:

> x x x [R]ules of procedure are designed to facilitate the attainment of justice and that their rigid application resulting in technicalities tending to delay or frustrate rather than promote substantial justice must be avoided. In other words, procedural rules are set in place to ensure that the proceedings are in order and to avoid unnecessary delays, but are never intended to prevent tribunals or administrative agencies from resolving the substantive issues at hand.[54]

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[51] *Rollo*, at p. 221.
[52] *Mitra v. Sablan-Guevarra*, 830 Phil. 277, 283 (2018).
[53] 823 Phil. 261 (2018).
[54] Id. at 267-268.

Truly, the circumstances of the instant case do not call for a strict application of the Rules of Court, especially considering that the basic tenets of due process were observed during the proceedings. While cadastral proceedings are normally summary in nature and would only require notice to other interested parties, the RTC actually issued a summons to petitioner,[55] and the latter was given ample opportunity to present its side and adduce evidence supporting such. Moreover, the records would reveal that trial ensued like in an ordinary civil action, and in fact, respondent was able to present two (2) witnesses.[56]

Despite being served summons and given more than enough opportunities to defend itself, petitioner still failed to refute respondent's allegations that the former failed to exercise its right to collect on the subject sugar crop loans for almost 16 years and that such failure rendered the mortgage contracts *functus oficio*, unenforceable, and of no force and effect due to prescription and laches.[57] Neither did the petitioner present any iota of evidence to even cast a doubt on such fact. Instead, petitioner have stubbornly relied on mere technicalities for its defense, up until the instant petition before us.

Clearly, the parties' right to due process had been substantially complied with, given that both parties were given the opportunity to present their side and adduce their own evidence to bolster their positions. To emphasize, it has always been a basic principle in our jurisdiction that on balance, substantial justice trumps procedural rules,[58] especially given that there is no prejudice to the parties' right to due process. This axiom is especially true if the strict and rigid application of such procedural rules would result in technicalities which tend to frustrate rather than promote substantial justice.[59]

While the proceedings of this case may have been riddled with procedural infirmities, none have been so severe as to deprive the parties to their right to due process and fair hearing. Indeed, it would be the height of injustice for us to remand a roughly two-decades-old dispute to the trial court just to unnecessarily thresh out matters that were not even issues in the first place, based on a mere technicality.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED**. The April 30, 2010 Decision and March 16, 2011 Resolution of the Court of Appeals in CA-G.R. CV No. 80268 are **AFFIRMED**. Costs on petitioner.

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[55] *Rollo*, at p. 221.
[56] Id. at 222.
[57] Id. at 221.
[58] *De Roca vs. Dabuyan*, 827 Phil. 99, 110-111 (2018).
[59] *Republic of the Philippines vs. Dimarucot*, 827 Phil. 360, 373 (2018).

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

AMY C. LAZARO-JAVIER
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Chief Justice