100 Days Bar Chair Q&A Compilation

Free Resource for 2025 Bar Takers

Hi, Bar Buddy!

Here's the complete compilation of our 100 Days Bar Q&A Challenge, organized by subject for easier review.

This is our small way of cheering you on as you prepare for the Bar. May it help you review smarter, boost your confidence, and remind you that you are not alone in this journey.

Stay consistent, trust your process, and don't forget to rest when needed.

If you find this helpful, please share it with a fellow Bar taker. Let's lift each other up!

— Minute Digests ni Atty. G

Contents

POLITICAL LAW

I. BASIC CONCEPTS

Separation of Powers

1
Courts cannot compel the OSG to file reversion cases. Such action rests solely within the executive's discretion under the separation of powers.

Everest Land Corp. sought the cancellation of Original Certificate of Title No. 5426, alleging it was fraudulently issued to Suncrest Landholdings over public land. The Department of Environment and Natural Resources and the Office of the President denied the request, invoking res judicata and opting not to pursue reversion. On appeal, the Court of Appeals reversed the OP. It ruled that res judicata did not apply, and directed the OSG to conduct its own investigation and consider filing reversion proceedings. **Is the appellate court's decision correct?**

Suggested Answer: No. The appellate court's decision is not correct.

In *Vines Realty Corp. v. Ret (G.R. No. 224610, 13 October 2021),* the Supreme Court ruled that whether to investigate and file a reversion case is an executive function that courts cannot compel. The OSG operates under the President's constitutional power of control, and such discretion lies solely within the executive. The Court emphasized that the judiciary cannot substitute its judgment for that of the executive, especially in the absence of an actual case or controversy. Otherwise, the doctrine of separation of powers will be violated. Thus, the appellate court's directive to the OSG to act is not proper.

II. CONSTITUTIONAL COMMISSIONS

Jurisdiction

2
A non-chartered, BSP-owned corporation is a GOCC subject to COA audit jurisdiction and Memorandum Order No. 20.

The Philippine Convention Corporation was created under Presidential Decree 419 to manage the PICC. It is registered with the SEC, and the BSP is its sole stockholder. In 2013, PCC granted allowances to its senior officers, which the Commission on Audit disallowed, citing Memorandum Order 20, which directed the suspension of new or increased benefits for senior officers of GOCCs to rationalize government compensation. PCC argued that the Order does not apply to it since it is a private corporation governed by the Corporation Code and is outside the jurisdiction of the Commission in Audit. **Is PCC correct?**

Suggested Answer: No. PCC is not correct.

In *Tetangco, Jr. vs. Commission on Audit (G.R. No. 244806, 17 September 2019),* the Supreme Court ruled that a corporation like PCC, organized under the Corporation Code but wholly owned by the BSP, is a GOCC, subject to the Commission's audit jurisdiction. The Commission's authority covers

all GOCCs, with or without original charters. The Court also held that Memorandum Order 20 applies to all GOCCs, chartered or non-chartered, to ensure uniformity and fiscal discipline in government compensation. Thus, PCC is not correct.

III. CITIZENSHIP

Loss and Re-acquisition of Philippine Citizenship

3
A person's oath and lifelong conduct can prove Filipino citizenship, even without a formal election.

James Anderson was born in 1950 in the Philippines to an American father and a Filipino mother. He lived, studied, worked, and raised a family in the Philippines, consistently identifying as Filipino. Though he became a naturalized American in 2006, he reacquired Philippine citizenship in 2008 under R.A. 9225 and took an oath of allegiance. He returned to the Philippines for good in 2010. Notably, he did not formally elect Philippine citizenship upon reaching the age of majority. **Is James a Philippine citizen?**

Suggested Answer: Yes, James is a natural-born Philippine citizen.

In *Prescott v. Bureau of Immigration (G.R. No. 262938, 05 December 2023),* the Supreme Court ruled that a person born under the 1935 Constitution to a Filipino mother may elect Philippine citizenship formally or informally. While a formal election must be made within seven years, exceptions apply when unique circumstances exist. Here, James's oath and lifelong actions showed his clear intent to be Filipino. Like in Prescott, the Court would likely recognize his citizenship.

IV. LAW ON PUBLIC OFFICERS

Accountability of Public Officers; Administrative Liability

4
The Ombudsman retains administrative supervision over the Special Prosecutor, even if the latter is appointed by the President.

Atty. Rufino, the newly appointed Special Prosecutor of the Office of the Ombudsman, was subjected to an administrative investigation by the Ombudsman for alleged grave misconduct and abuse of authority. Rufino questioned the proceedings, arguing that as a presidential appointee, only the President has disciplinary authority over him. **Does the Ombudsman have disciplinary power over the Special Prosecutor?**

Suggested Answer: Yes. The Ombudsman has disciplinary authority over the Special Prosecutor.

In *Villa-Ignacio v. Barreras-Sulit (G.R. No. 222469, 21 September 2022),* the Supreme Court ruled that the Special Prosecutor is an official under the Office of the Ombudsman and thus falls under its administrative supervision. While the Special Prosecutor is appointed by the President, this does not remove the Ombudsman's constitutional power to investigate and discipline its subordinate officials, including the Special Prosecutor. The Court emphasized that this ensures the

Ombudsman's independence and integrity in fulfilling its constitutional mandate to combat corruption.

5
Approving officers are solidarily liable for disallowed benefits if they acted with gross negligence, even without bad faith.

In 2010, officers of MetroEnergy, a government-owned corporation, approved expanded medical benefits, including dental care, laser procedures, and drug coverage, for employees and the dependents of board members. These benefits exceeded the limits set by Administrative Order No. 402, which allows only annual medical check-ups and excludes coverage for dependents. The benefits had also been the subject of prior disallowances by the Commission on Audit. In 2012, the Commission once again disallowed the benefits and ordered both the approving officers and the recipients to refund over ₱5 million. The officers argued that they should not be held liable, citing the Madera case, as they merely performed their duties and did not act with malice or bad faith. **Can the officers be held liable along with the recipients?**

Suggested Answer: Yes. The approving officers can be held liable.

In *PSALM v. Commission on Audit (G.R. Nos. 205490 & 218177, 22 September 2020),* the Supreme Court held that approving officers who are guilty of gross negligence in authorizing disallowed benefits are still liable, even if they acted without malice or bad faith. Here, the officers were grossly negligent, having disregarded prior disallowances by the Commission and the clear limitations of A.O. 402. Even in the absence of bad faith, they remain solidarily liable with the recipients for the disallowed amounts.

V. LEGISLATIVE DEPARTMENT

Composition; Party-List System

6
Congress has the power to determine seat allocation in the party-list system; the preference for two-percenters under Section 11(b) of RA 7941 is valid and does not violate equal protection, as it rests on substantial distinction.

The COMELEC allocated three party-list seats to Kabayan Marino Party, which garnered over 4% of total party-list votes, following Section 11(b) of R.A. 7941, which grants one qualifying seat to parties with at least 2% of the votes, and up to two additional seats in proportion to the total votes. Rival group Kilos Marino challenged the provision's constitutionality, arguing it violates the "one person, one vote" principle and equal protection clause. It claimed the 2% used in determining the qualifying seat should be excluded when computing additional seats to avoid double-counting. **Is Section 11(b) of RA 7941 unconstitutional?**

Suggested Answer: No. Section 11(b) of RA 7941 is not unconstitutional.

In *ANGKLA v. COMELEC (G.R. No. 246816, 15 September 2020),* the Supreme Court found Section 11(b) of RA 7941 valid. Following its formula, all votes are counted once. The perceived double-counting is merely an advantage given to two-percenters based on substantial distinction. The 2% voting threshold ensures that only those parties having a sufficient constituency are represented

as envisioned by the Framers of the Constitution. The provision does not violate the "one person, one vote" principle and equal protection clause. Thus, not unconstitutional.

VI. JUDICIAL DEPARTMENT

Judicial Review; Moot Questions

7
A supervening event that resolves the core issue renders a case moot and beyond the Court's review.

The Bureau of Internal Revenue issued Revenue Regulation 13-2013, subjecting other sugar types to Value-Added Tax (VAT). The Alliance of Sugar Growers challenged this regulation in court for violating due process and uniformity of taxation. The trial court issued an injunction against the regulation. Subsequently, RR 8-2015 was issued, restoring the VAT exemption for raw sugar. Despite this, the Alliance of Sugar Growers petitioned the Supreme Court to rule that the injunction was invalid, citing the "no injunction rule" under the Tax Code. **Should the Supreme Court still rule on the petition?**

Suggested Answer: No. The case is moot.

In *Secretary of Finance v. Muñez (G.R. No. 212687 [Resolution], 20 July 2022),* the Supreme Court ruled that when a supervening event resolves a conflicting issue, so that a declaration thereon would be of no practical value, the case becomes moot. The courts will no longer decide. Here, the issuance of RR8-2015 is a supervening event that rendered the case moot.

VII. THE BILL OF RIGHTS

Arrests, Searches, and Seizures; Requisites of a Valid Warrant

8
A search warrant satisfies the constitutional requirement of particularity if the place can be reasonably identified and distinguished from others.

Police Officers, armed with a search warrant describing "the rented residence and its premises located at 125 Mabini Street, Sta. Elena Subdivision, Barangay 4, San Pedro City," searched the home of Ana Cruz. They also entered a small sari-sari store attached to the house, separated only by a curtain, and found illegal drugs. Ana was arrested and later convicted of illegal possession of drugs. On appeal, she argued that the search was invalid and the seized items inadmissible, since the warrant did not specifically mention the store. **Was the search of the store valid?**

Suggested Answer: Yes. The search of the store was valid.

In *People v. Magayon (G.R. No. 238873, 16 September 2020),* the Supreme Court ruled that a search warrant meets the constitutional requirement of particularity if the place can be reasonably identified by the officers and distinguished from others. The Court upheld a warrant that covered a "rented residence and its premises," including an attached store separated only by a curtain. Similarly, Ana's store was part of the same structure at the stated address. Thus, the search did not violate the Constitution.

Arrests, Searches, and Seizures; Warrantless Searches

9
In regulated industries like pharmaceuticals, administrative warrantless inspections are constitutional under the State's police power. Affected entities have a reduced expectation of privacy.

Vital Remedies, a distributor of health supplements, was the subject of a Mission Order issued by the Director-General of the Food and Drug Administration, authorizing its officers to inspect its warehouse and seize unregistered products. The company assailed the constitutionality of the provisions in the FDA Act and its IRR, which authorized the FDA to seize health products that are unregistered, misbranded, or hazardous, and empowered the Director-General to issue Mission Orders. It argued that these provisions permit unconstitutional warrantless searches and seizures. **Is Vital correct?**

Suggested Answer: No. Vital is not correct.

In *Venus Commercial v. DOH (G.R. No. 240764, 18 November 2021),* the Supreme Court ruled that the pertinent provisions in the FDA Act and its IRR do not violate the right against unreasonable searches and seizures because administrative inspections in pervasively regulated industries, such as pharmaceuticals, are a recognized exception to the requirement of a judicial warrant. The FDA's authority is part of the State's police power to protect public health, and the affected entities have a reduced expectation of privacy. Thus, the assailed provisions were constitutional.

Privacy of Communications and Correspondence

10
Requiring professionals to submit appointment books violates the constitutional right to privacy under the due process clause.

The Bureau of Internal Revenue ordered Atty. Maria Santos, a self-employed lawyer, to submit an affidavit detailing her professional fees and to register her appointment book containing client names and meeting schedules. She claims this violates her right to privacy and the confidentiality of the attorney-client relationship. **Was Atty. Santos's right to privacy violated?**

Suggested Answer: Yes. Atty. Santos's right to privacy was violated.

In *Integrated Bar of the Philippines v. Secretary of Finance (G.R. Nos. 211772 & 212178, 18 April 2023),* the Supreme Court ruled that requiring self-employed professionals to disclose fee details and client appointment books violates the constitutional right to privacy under the Bill of Rights. The Court held that such requirements are intrusive and unreasonable, affecting not just the professional but also the clients' expectation of privacy. The state's interest in tax collection does not justify violating private communication without sufficient safeguards.

Eminent Domain

11
If the power of expropriation is delegated to a private entity, a writ of possession may only be issued after a hearing that confirms compliance with legal requirements, including necessary approvals, and shows the expropriation's necessity.

PowerLink was authorized by a legislative franchise to operate electric transmission facilities, which includes the delegated power to expropriate private lands for its projects, subject to approval by the ERC. Before securing such approval, PowerLink filed a complaint to expropriate land owned by Greenfield Farms for transmission lines and deposited ₱111 million, equal to the land's full zonal value. The trial court issued a writ of possession without a hearing, citing the OCA Circular, where such issuance is ministerial upon filing the complaint and payment of the deposit. **Was the trial court's issuance of the writ valid?**

Suggested Answer: No. The trial court's issuance of the writ of possession was invalid.

In *Iloilo Grain Complex Corp. v. Enriquez-Gaspar (G.R. No. 265153, 12 April 2023),* the Supreme Court ruled that when the power of eminent domain is delegated to a private entity like PowerLink, it must comply with all statutory requirements, including obtaining prior approval from the ERC and demonstrating the necessity of the expropriation. The trail court erred in granting possession without confirming that these conditions were met, rendering the issuance of the writ of possession invalid.

Eminent Domain; Just Compensation

12
Courts may only depart from DAR valuation formulas with clear, valid justification. Unsupported deviations will be struck down.

GreenGrow Corp. voluntarily offered its farmland for CARP coverage. Land Bank valued it at ₱580,000, but the Special Agrarian Court set just compensation at ₱2.9 million without fully following DAR valuation formulas. The court did not explain the reason for the deviation. It also imposed a 12% annual interest. **Was the court correct in its valuation and interest award?**

Suggested Answer: No. The court erred in its valuation and interest award.

In *Land Bank v. Villegas (G.R. No. 224760, 06 October 2021),* the Supreme Court ruled that courts may deviate from DAR formulas only with valid justification. Here, the agrarian court failed to explain the sharp increase in valuation. The Court also ruled that a 12% interest rate was improper after July 1, 2013, when the legal rate became 6%. The proper compensation was recalculated using the correct formula and interest rates.

13
Ejectment is not the proper remedy against a public utility lawfully exercising eminent domain. Landowners must seek just compensation instead.

The Mendoza family owns land occupied by the government-owned power utility, Manila Grid Corp., which has installed power transmission lines since 1980 without prior expropriation

proceedings or payment of just compensation. The family files an ejectment case to recover possession of their land. **Will the ejectment case against Manila Grid prosper?**

Suggested Answer: No. The ejectment case against Manila Grid will not prosper.

In *National Power Corp. v. Llorin (G.R. No. 195217, 13 January 2021),* the Supreme Court ruled that a public utility corporation vested with the power of eminent domain cannot be compelled to vacate land through ejectment proceedings when it occupies the land for public use without prior acquisition by purchase or expropriation. Instead, the proper remedy for the landowner is to seek just compensation through expropriation proceedings. The ejectment court must dismiss the case without prejudice to the landowner's right to file for just compensation. Moreover, delay by the landowner in asserting their rights may constitute waiver of the right to possession. Thus, Mendoza's ejectment suit will fail.

Right Against Double Jeopardy

14
A final conviction for a lesser offense bars prosecution for the greater one: double jeopardy protects even flawed plea bargains.

Mateo was charged with selling 2.1585 grams of methamphetamine hydrochloride, a violation of Section 5 of the Comprehensive Dangerous Drugs Act. He later sought to plead guilty to the lesser offense of possession of drug paraphernalia under Section 12 of the same law. The trial court accepted this plea and convicted him accordingly. However, the Court of Appeals reversed this decision, ordering a trial on the original charge. Mateo appealed, invoking the principle of double jeopardy. **Was the Court of Appeals correct in ordering a new trial?**

Suggested Answer: No. The Court of Appeals erred in ordering a new trial.

In *Suarez Jr. v. People (G.R. No. 268672, 03 July 2023),* the Supreme Court held that once a conviction for a lesser offense becomes final and executory, reopening the case for the original charge would violate the accused's constitutional protection against double jeopardy. The Court emphasized that even if the plea bargain was improper, a final judgment cannot be undone.

VIII. ADMINISTRATIVE LAW

Administrative Agencies

15
Even if GOCC property is taxable due to beneficial use by private entities, the property itself cannot be levied or sold, only private lessees are liable.

San Gabriel Heart Institute, a government hospital and GOCC, owns 11 properties in New Alabang. Four are leased to private businesses; the rest are used for hospital operations. Due to non-payment of real property taxes, the City Assessor levied and auctioned off all 11 lots. San Gabriel claimed the sale was void, arguing the properties are of public dominion. The City countered that the four leased lots were taxable and validly levied since their beneficial use had been granted to private taxable entities. **Who is correct?**

Suggested Answer: San Gabriel is correct. The four lots retain their public character and cannot be levied, even if taxable.

In *Philippine Heart Center v. Quezon City Local Government (G.R. No. 225409, 11 March 2020),* the Supreme Court ruled that, while GOCC properties may be subject to real property tax if their beneficial use is granted to private entities, only the private lessees are liable. The properties themselves, being of public dominion, are exempt from levy, encumbrance, or sale, even if taxable. Allowing their confiscation would impair essential public services. LGUs must thus pursue the private lessees, instead of levying on government property. Accordingly, the City's levy and sale of all 11 lots were void.

IX. LAW ON LOCAL GOVERNMENTS

16
Properties of government instrumentalities performing governmental functions are exempt from real property taxes.

The City Government of Tagum assessed real property taxes on properties owned by the National Food Authority (NFA). NFA argued that, as a government instrumentality, it is exempt from such taxes. **Is NFA correct?**

Suggested Answer: Yes, NFA is exempt from real property taxes.

In *National Food Authority v. City Government of Tagum (G.R. No. 261472, 21 May 2024),* the Supreme Court held that NFA is a government instrumentality performing essential governmental functions, such as ensuring food security. As such, its properties are of public dominion and exempt from real property taxes under Section 234(a) of the Local Government Code.

17
Municipal ordinances must yield to national law. Otherwise, they are invalid.

Republic Act (RA) 4136 sets maximum speed limits based on road classification, considering use and traffic conditions: 80 kph on open country roads, 40 kph on boulevards, 30 kph on city and municipal streets, and 20 kph on crowded streets. Under the law, local governments must classify roads, post appropriate traffic signs, and secure LTO approval. They are also prohibited from enacting ordinances setting different speed limits. The Municipality of San Mateo enacted a Speed Limit Ordinance imposing a maximum of 80 and 40 kph for vehicles traversing the accident-prone Katipunan Crossing and Bayanihan Crossing, respectively. Joel, a delivery driver, was fined for overspeeding. He questioned the ordinance's validity, citing a lack of proper road classification, visible signage, and LTO approval. **Is the Ordinance valid?**

Suggested Answer: No. The Ordinance is not valid.

In *Municipality of Tupi v. Faustino (G.R. No. 231896, 20 August 2019),* the Supreme Court held that municipal ordinances are subordinate to national laws and must yield in case of conflict. San Mateo's Speed Limit Ordinance conflicts with RA 4136, which prohibits LGUs from setting speed limits other than those prescribed by the law. The municipality also failed to classify its roads based on the law's standards, post the required signage, or obtain LTO approval. Without these prerequisites, the ordinance is inconsistent with RA 4136 and thus invalid.

COMMERCIAL AND TAXATION LAWS

I. BUSINESS ORGANIZATIONS

Corporations; Doctrine of Separate Juridical Personality

18
Without proof of actual corporate transformation, it is presumed to be a mere change of name, which does not create a new legal entity nor extinguish existing liabilities.

Swift Moldings Inc. allegedly sold its assets, including its factories, to Eagle Plastics Corp. Leo Santos, a longtime employee of Swift Moldings, was barred from entering the factory. He filed a complaint for illegal dismissal against Eagle. Eagle claimed it was not Leo's employer, as it was a newly established corporation. However, no evidence was presented to prove any asset sale between the two companies. **Was Eagle liable?**

Suggested Answer: Yes. Eagle was liable.

In *Bantogon v. PVC Master Mfg. Corp. (G.R. No. 239433, 16 September 2020),* the Supreme Court ruled that a mere change in corporate name does not create a new legal entity. Without proof of an actual asset sale, the supposed corporate transformation is presumed to be a name change only. As in Bantogon, Eagle Plastics remained the same entity as Swift Moldings and is liable for Leo's illegal dismissal. Corporate identity and obligations remain unchanged by name alone.

19
Acquittal under BP 22 also extinguishes civil liability if the corporate officer personally signed the check solely on behalf of the corporation, even if the signatory's position is not named in the Corporation Code.

Drake Salvador, finance officer of BrightSmile Dental Group, issued a ₱280,000 corporate check to SmileLine Dental Supplies for materials ordered. The check was dishonored for insufficient funds, and Drake was charged with violating BP 22. The trial court convicted him. The Court of Appeals acquitted Drake but upheld his civil liability. It held that the rule extinguishing the civil liability of an acquitted corporate officer did not apply to Drake, since he was not among the corporate officers enumerated in Section 24 of the Corporation Code, and because he admitted to signing and issuing the check. **Was the appellate court correct?**

Suggested Answer: No. The appellate court was not correct.

In *Rebujio v. People (G.R. No. 269745, 14 January 2025),* the Supreme Court reiterated that if a corporate officer is acquitted of a BP 22 violation for signing a check on behalf of a corporation, his civil liability is likewise extinguished. This rule is not limited to the officers enumerated in Section 24 but applies to corporate officers who actually signed the check. To hold Drake liable despite the acquittal will also violate the doctrine of separate juridical personality. Thus, the appellate court erred in holding Drake civilly liable.

Corporations; Doctrine of Piercing the Corporate Veil

20
Mere common ownership or management is not enough to pierce the veil of corporate fiction. It must be shown that the separate personality is used to commit fraud or evade obligations.

Emerald Bank, Inc. (EBI) offered housing loans to employees through EBI Staff Retirement Plan (EBI-SRP), a separate entity. Kate obtained a loan from EBI-SRP secured by a mortgage on her property, which EBI-SRP later foreclosed. Kate claimed the foreclosure was void and sued both EBI and EBI-SRP. During the trial, it was established that EBI screened employee eligibility, while EBI-SRP alone approved and processed the housing loans. EBI was also not a party to the mortgage and had no role in the foreclosure. The trial court voided the foreclosure and held both liable. It found that EBI-SRP was a mere conduit of EBI, given that EBI appointed EBI-SRP trustees and transferred assets, liabilities, or other interests to it. **Is the trial court correct?**

Suggested Answer: No. The trial court is not correct.

In *HSBC Staff Retirement Plan v. Galang (G.R. Nos. 199565 & 199635, 30 June 2021),* the Court held that a related entity's separate personality may be disregarded only if used to commit fraud or evade an obligation. Common ownership or management is not enough. Moreover, corporate personality cannot be collaterally attacked as only the Solicitor General may do so via quo warranto. As in HSBC, EBI was not a party to the mortgage, had no role in the foreclosure, and merely determined eligibility. Without proof of fraud or misuse of corporate form, EBI cannot be held liable for EBI-SRP's acts.

Corporations; Incorporation and Organization

21
Incorporation defects that are not fraudulent or harmful to public interest are curable and not grounds for outright revocation.

Lazaro Realty Corp. was incorporated with seven incorporators, including Doña Clarita, each contributing substantial capital. Years later, it was discovered that Clarita had died three years before the company was registered. The SEC sought to revoke the certificate of registration, alleging fraud due to the inclusion of a deceased incorporator. **Does the inclusion of a deceased person as an incorporator, in this case, constitute fraud warranting revocation of registration?**

Suggested Answer: No. The inclusion of a deceased incorporator, in this case, does not amount to fraud warranting revocation.

In *Securities and Exchange Commission v. AZ 17/31 Realty (G.R. Nos. 239010 & 240888, 06 July 2022),* the Supreme Court ruled that fraud in procuring registration must involve either a deliberate intent to deceive or misrepresentations that subvert public interest. Here, the error was not willful; the corporation had more than the minimum number of qualified incorporators, and capital requirements were satisfied. The Court held that this was a correctible defect, not grounds for immediate revocation, and the SEC should have allowed amendment of the Articles of Incorporation.

Corporations; Liability of Directors, Trustees, and Officers

22
Corporate officers may be held personally liable for corporate debts if they act in bad faith and use the corporate fiction to defraud or mislead.

FuelPro entered into a distributorship agreement with Tirex Sales, represented by its president, Marco Antonio, who actively negotiated the deal. Marco later informed FuelPro, via a letter on SuperTread letterhead, that Tirex had changed its trade name to SuperTread. Relying on this, FuelPro entered into a similar agreement with SuperTread. Later, Marco claimed that Tirex and SuperTread were actually distinct entities. He also stopped payment on Tirex's checks. FuelPro pre-terminated both agreements, citing unauthorized assignment. Tirex sued for damages, while FuelPro filed a counterclaim to hold Marco solidarily liable for Tirex's unpaid obligations and damages. **May Marco be held personally liable for Tirex's obligations?**

Suggested Answer: Yes. Marco may be held personally liable for Tirex's obligations.

In *Total Petroleum Philippines v. Lim (G.R. No. 203566, 23 June 2020),* the Supreme Court ruled that corporate officers may be held personally liable for corporate debts if it is proved that they act in bad faith. Here, Marco acted in bad faith, falsely declaring that Tirex's name was merely changed to SupeTread, which misled FuelPro into executing the new agreement with SuperThread. Marco's misuse of Tirex as a corporation to perpetuate breach of contractual obligations renders him personally liable.

II. INSURANCE

Loss

23
In subrogation, the insurer merely steps into the shoes of the insured and is bound by the same prescriptive period as the original cause of action.

On November 16, 2007, a cement mixer owned by SolidMix Corporation and left unattended by its driver, Marlo Vergara, rolled backward on an uphill road in Quezon City. It hit a parked Mitsubishi Adventure, which then struck a Honda Civic owned by Miguel Garcia. Garcia's car was insured by Reliance Insurance Corporation, which paid ₱190,000 for its repair. On February 1, 2012, Reliance filed a complaint for damages against SolidMix and Vergara, asserting its right of subrogation. SolidMix moved to dismiss, arguing that the claim had already prescribed. **Has Reliance Insurance's action prescribed?**

Suggested Answer: Yes. Reliance Insurance's action has prescribed.

In *Filcon Ready Mixed v. UCPB General Insurance (G.R. No. 229877, 15 July 2020),* the Supreme Court ruled that an insurer's subrogation right is subject to the same prescriptive period applicable to the insured's cause of action. Since the claim was based on quasi-delict, the applicable period under the Civil Code is four years, counted from the date of the accident on November 16, 2007. Reliance filed its complaint only on February 1, 2012, beyond the four-year limit. Therefore, the action had already prescribed.

III. BANKING

24
A lender cannot unilaterally impose new conditions not stipulated in the loan agreement and then foreclose based on those unmet, extraneous terms.

AgriPrime Corporation took a ₱5 million loan from Masagana Rural Bank to build poultry houses. The bank initially released ₱3 million. After partial compliance, AgriPrime requested another ₱500,000, but the bank denied it, citing AgriPrime's failure to infuse matching equity, a condition not stated in the loan agreement. The bank then declared AgriPrime in default and foreclosed on the property. **Was Masagana Bank justified in foreclosing based on an unstated condition?**

Suggested Answer: No. Masagana Bank was not justified.

In *DBP v. Togle (G.R. No. 224138, 06 October 2021),* the Supreme Court ruled that a bank cannot impose loan conditions not found in the contract. Masagana Bank's refusal to release funds based on extraneous requirements was a breach of contract. The foreclosure was void because AgriPrime was not in valid default.

IV. INTELLECTUAL PROPERTY

Copyrights; Non-Copyrightable Works

25
Under the Intellectual Property Code, works of the Philippine government are not covered by copyright protection and may be freely used for meetings of public character; prior approval is required only when used for profit.

Ms. Belmonte, an officer of the National Archives of the Philippines, was invited to speak at a records management seminar hosted by the Bacoor City Government. She used agency materials during her lecture. The presentation was given as a public service and without any compensation. She was later charged with unauthorized use of government materials, allegedly violating the Intellectual Property Code. **Did Ms. Belmonte's use of National Archives materials violate the law?**

Suggested Answer: No. Ms. Belmonte's use of National Archives materials did not violate the Intellectual Property Code.

In *Domingo v. Civil Service Commission (G.R. No. 236050, 17 June 2020),* the Supreme Court ruled that under the Intellectual Property Code, no copyright subsists in any work of the Philippine government which can be used freely in meetings of public character. Prior approval is only necessary when such work will be exploited for profit. Here, Ms. Belmonte's use of National Archives materials was non-commercial and for public service. Hence, no violation of copyright law occurred.

V. OTHER SPECIAL LAWS AND RULES

R.A. No. 10142 or the Financial Rehabilitation and Insolvency Act

26
Once a rehabilitation plan is approved, its terms bind all creditors, even those who didn't participate.

Crestview Realty filed a petition for corporate rehabilitation. The rehabilitation court approved the petition along with a Rehabilitation Plan that suspended the accrual of interests, penalties, and other charges on Crestview's loans. However, Ladera Bank, one of its creditors, demanded payment of interest and penalties based on the original loan terms. The case reached the Court of Appeals, which upheld the suspension of these charges in line with the Rehabilitation Plan. **Was the Court of Appeals correct?**

Suggested Answer: Yes. The Court of Appeals was correct.

In *China Bank v. St. Francis Square Realty (G.R. Nos. 232600-04, 27 July 2022),* the Supreme Court ruled that once a Rehabilitation Plan is approved, its provisions become binding on all creditors, including those who did not participate in the proceedings. The Court emphasized that the purpose of corporate rehabilitation is to enable a financially distressed corporation to recover, and this includes suspending the enforcement of interest, penalties, and other charges inconsistent with the approved plan. Thus, the Court of Appeals did not err in upholding the suspension of these charges to give effect to the Rehabilitation Plan and facilitate Crestview's recovery.

VI. TAXATION LAW

National Internal Revenue Code; Taxability of Income

27
Condominium dues are not subject to income, VAT, or withholding taxes, as they are non-commercial contributions, not income.

The BIR assessed Sunrise Tower, a registered condominium corporation, for deficiency income, value-added, and withholding taxes on association dues, membership fees, and other charges collected from unit owners. The BIR relied on Revenue Circular 65-2012, which treated these charges as taxable income. **Can the BIR validly tax the said charges?**

Suggested Answer: No. The BIR cannot validly tax the said charges.

In *BIR v. First E-Bank Tower Condominium Corp. (G.R. Nos. 215801 & 218924, 15 January 2020),* the Supreme Court ruled that association dues, membership fees, and similar charges collected from unit owners are not subject to income, value-added, or withholding taxes. Condominium corporations do not engage in trade or business. Said charges are contributions collected for the maintenance of common areas, not profit-generating transactions. The Court struck down Revenue Circular 65-2012 as it unlawfully expanded the definition of gross income and taxed non-commercial receipts, in conflict with the Condominium Act and the Tax Code.

National Internal Revenue Code; Tax Remedies

28
An informal tax settlement, through voluntary payment and non-pursuit by the BIR, binds both parties and precludes a refund claim.

VoltGen Corp. received a Preliminary Assessment Notice (PAN) for deficiency VAT. Without waiting for a Formal Letter of Demand or Final Assessment Notice, it voluntarily paid ₱6.97 million. Later, it filed a claim for refund, arguing that the payment was erroneous since the sale should have been zero-rated. The BIR denied the claim, treating the payment as an informal settlement. **Is VoltGen entitled to a refund?**

Suggested Answer: No. VoltGen is not entitled to a refund.

In *CIR v. Toledo Power Company (G.R. No. 259309, 13 February 2023),* the Supreme Court ruled that the CIR may compromise or abate tax liabilities under the Tax Code, even informally. Toledo Power's voluntary payment, made without awaiting a formal assessment, and the BIR's decision not to pursue further collection, amounted to an informal but binding settlement. Likewise, VoltGen's voluntary payment is binding and precludes it from later claiming a refund on the ground of erroneous payment.

29
Even if styled as a "legal opinion," a CIR issuance, effectively a ruling, affecting tax liability, falls within the CTA's jurisdiction. Form doesn't override substance.

Phoenix Fuel imported "Petromax" from 2010 to 2012. No excise taxes were imposed. In 2012, the Customs Commissioner sought a legal opinion on whether it could collect excise taxes on the Petromax importations of Phoenix. In response, the Commissioner of Internal Revenue issued Document L-2012-08 classifying "Petromax" as excisable. Based on this, the Bureau of Customs demanded ₱1 billion in back taxes from Phoenix. Phoenix questioned the ruling before the Court of Tax Appeals (CTA). The Solicitor General claimed the CTA had no jurisdiction since no assessment or refund denial was involved. **Does the CTA have jurisdiction?**

Suggested Answer: Yes. The CTA has jurisdiction.

In *CIR v. CTA and Pilipinas Shell (G.R. Nos. 210501, 211294 & 212490, 15 March 2021 [J. Perlas-Bernabe]),* the Supreme Court ruled that the CTA has jurisdiction to review CIR rulings that are alleged to be invalid, even without formal assessment or refund denial. Here, Document L-2012-08 is effectively a CIR ruling that directly affects Phoenix's tax liability with respect to its Petromax importations.

30
The 120 + 30-day period under Section 112(C) for VAT refund claims is mandatory, late judicial filings are dismissed outright.

Takara Construction Corp. filed an administrative claim for input value-added tax refund on March 1, 2020. The BIR did not act within 120 days. Takara filed a judicial claim on September 15, 2020, arguing that Revenue Circular 54-2014 and Revenue Regulation 1-2017 allowed it to await a formal decision from BIR. **Was Takara's judicial claim for refund filed out of time?**

Suggested Answer: Yes. Takara's judicial claim for refund was filed out of time.

In *Taihei Alltech Construction v. CIR (G.R. No. 258791, 07 December 2022),* the Supreme Court ruled that the 120+30-day period in Section 112(C) of the Tax Code is mandatory. Judicial claims must be filed within 30 days after the 120-day BIR period lapses, even without a decision. The Court clarified that BIR regulations cannot amend the Tax Code. Since Takara filed its petition well beyond the deadline, the claim should be dismissed for being filed out of time.

Important Note: Republic Act No. 10963, or the TRAIN Law, amended Section 112 of the Tax Code by reducing the number of days for the CIR to decide on the claims for refund or credit of input tax from 120 to 90 days.

RA 10963 took effect on 01 January 2018, and the new rule applies to all claims for refund or credit filed on or after this date.

31
No need to wait for BIR action before filing a judicial claim.

On December 9, 2009, Arctic Philippines paid ₱100 million in dividends to Arctic Singapore and remitted a 10% final withholding tax. Later, it was discovered that 50 million of the dividends were invalid due to a lack of retained earnings. It filed a refund claim with the BIR on November 29, 2011, and a judicial claim on December 9, 2011. The BIR argues the judicial claim is premature since it wasn't given a reasonable time to act. **Is the BIR correct?**

Suggested Answer: No. The BIR is incorrect.

Under Section 229 of the Tax Code, a taxpayer may file a judicial claim for refund of erroneously collected taxes immediately after filing an administrative claim, as long as both are filed within two years of payment. There is no legal requirement to wait for BIR action on the administrative claim before initiating judicial proceedings. – *CIR v. Carrier Air Conditioning Phils., Inc., G.R. No. 226592, 27 July 2021 [J. Leonen]*

Important Note: Republic Act No. 11976, or the Ease of Paying Taxes Act, amended Section 229 of the Tax Code by expressly granting the Commissioner of Internal Revenue (CIR) 180 days from the submission of complete documents to act on claims for refund or credit of erroneously or illegally collected taxes. Consequently, the two-year prescriptive period under the same provision now applies only to the filing of the administrative claim.

Prior to this amendment, the rule was that the two-year prescriptive period applied to both the administrative and judicial claims, provided the administrative claim was filed before the judicial claim. Since the CIR had no specific period to act, the judicial claim likewise had to be filed within the same two-year period.

RA 11976 took effect on 22 January 2024, and the new rule applies to all claims for refund or credit filed on or after this date.

32
In criminal tax evasion cases, the government may collect unpaid taxes without a prior assessment, proof of guilt and liability is enough.

Anna Cruz, the proprietor of "Cruz Wellness Center," was criminally charged for failing to file and for willfully falsifying her income tax returns, in violation of the Tax Code. During the trial, the

prosecution sought to collect her civil liability for unpaid taxes, despite the BIR not issuing a formal assessment. Santos contended that she could not be held civilly liable without such an assessment. **Is Anna correct?**

Suggested Answer: No. Anna is incorrect.

In *People v. Mendez (G.R. Nos. 208310-11 & 208662, 28 March 2023 [J. Lopez])*, the Supreme Court ruled that a prior assessment is not required to collect delinquent taxes in a criminal tax case. The criminal action is deemed a collection case and the government must prove two things: the guilt of the accused beyond reasonable doubt; and the accused's civil liability for taxes by competent evidence, even without an assessment. In Anna's case, the absence of a formal assessment does not preclude the collection of her civil liability for unpaid taxes in the criminal prosecution.

Local Taxation

33
Government holding companies are not financial institutions and are not subject to local business tax on their dividend and interest earnings under the LGC.

The AgriShare Fund under P.D. 924 was sourced from the coconut levy. The Fund acquired shares in Luzon Agro Industrial Corporation and established holding companies, including Polaris Holdings Corporation, solely to own and hold these shares. The City of Mati assessed Polaris for local business tax on its dividend and interest income, treating it as a financial institution under Section 143(f) of the Local Government Code. Polaris paid the tax under protest and subsequently sought a refund, which the Court of Tax Appeals granted. **Was the CTA correct?**

Suggested Answer: Yes. The CTA was correct.

In *City of Davao v. AP Holdings, Inc. (G.R. No. 245887, 22 January 2020),* the Supreme Court ruled that the Coconut Industry Investment Fund holding companies, such as APHI, are not financial institutions under Section 143(f) of the Local Government Code. APHI, like Polaris, merely held government-owned shares for the coconut industry. Its income from dividends and interest was incidental and not part of a regular business activity. Since public funds were involved, the imposition of local business tax was invalid. Thus, the CTA correctly granted the refund.

CIVIL LAW

I. FAMILY CODE

Marriage; Mixed Marriages and Foreign Divorce

34
An authenticated Japanese Divorce Certificate and Certificate of Acceptance are sufficient proof of divorce, even without a court decree.

Mary, a Filipino, and Akio, a Japanese, divorced under Japanese law. Mary filed a petition for recognition of foreign divorce decree in the Philippines. To prove the divorce, she submitted a Divorce Certificate issued by the Japanese Embassy and authenticated by the Philippine Department of Foreign Affairs. She also submitted a Certificate of Acceptance of Notice of Divorce, authenticated by the Japanese Embassy. However, Mary failed to submit the Japanese court-issued divorce decree of judgment. **Should Mary's petition be dismissed for failure to prove the divorce?**

Suggested Answer: No. Mary's petition should not be dismissed. The divorce was sufficiently proved.

In *Tsutsumi v. Republic (G.R. No. 258130, 17 April 2023),* the Supreme Court held that the failure of the petitioner to present a Japanese court-issued divorce decree of judgment is of no moment. By whatever name it may be called, the Divorce Certificate supported by Certificate of Acceptance of Notice of Divorce, as authenticated by the Japanese Embassy in Manila, is the best evidence of the fact of divorce.

35
A divorce decree obtained by a Filipino spouse abroad may still be recognized in the Philippines under Article 26(2) of the Family Code, even if the foreign spouse did not initiate the proceedings alone.

In 2010, Tara, a Filipino, married Keichi, a Japanese national, in Manila. In 2018, they obtained a divorce in Japan. Back in the Philippines, Tara petitioned the court for recognition of the foreign divorce. She submitted a Japanese "Divorce Report" authenticated by the Japanese Embassy, but did not present the actual Divorce Decree. During trial, it was revealed that Tara herself had secured the Divorce Decree. The trial court dismissed her petition. It held that a foreign divorce obtained by the Filipino spouse cannot be recognized under Section 26 of the Family Code, and that Tara's failure to present the foreign Divorce Decree itself is fatal to her case. Tara appealed. **Should Tara's appeal be granted?**

Suggested Answer: Yes. Tara's appeal should be granted.

In *Moraña v. Republic (G.R. No. 227605, 05 December 2019),* the Supreme Court reiterated that under Article 26 of the Family Code, even if it was the Filipino spouse who initiated and obtained the Divorce Decree, it may still be recognized in the Philippines. The law does not require the alien spouse to be the one who initiated the proceedings. Additionally, the absence of the actual Divorce Decree should not bar recognition when the essential facts are established through substantial

evidence, such as a "Divorce Report" and authentication by the foreign embassy. Thus, Tara's appeal should be granted.

Marriage; Void Marriages

36
Psychological incapacity may be proven without clinical diagnosis if grave, enduring traits show an inability to fulfill marital duties.

Lalaine filed a petition to nullify her marriage to Gabriel, citing psychological incapacity under Article 36 of the Family Code. The trial court granted the petition, but the Court of Appeals reversed, ruling that mutual incompatibility and personal differences do not amount to psychological incapacity. **Is the appellate court's decision correct?**

Suggested Answer: No. the appellate court's decision is incorrect.

In *Go v. Go and Republic (G.R. No. 258095, 06 December 2022),* the Supreme Court held that psychological incapacity need not be clinically diagnosed; it can be established through evidence of enduring and grave personality traits that render a spouse unable to fulfill essential marital obligations. The Court emphasized that mutual incompatibility and chronic dysfunction, when proven to be grave, enduring, and rooted in the spouses' personalities, can constitute psychological incapacity.

Marriage; Property Relations Between the Spouses

37
Under the regime of conjugal partnership of gains, property acquired during marriage is presumed conjugal, even if titled in one spouse's name, unless clearly proven to be exclusively owned.

Johan and Dianne were married in 1939. After Dianne died in 1995, Johan transferred several parcels of land to Goldenfield Corp., a company he co-founded with four of his five children. The properties were acquired from 1960 to 1983 and were titled solely in Johan's name. Carey, the daughter not part of the corporation, claimed her one-sixth share from her mother's estate, arguing that the properties formed part of the conjugal partnership. Johan's other heirs insisted the properties were Johan's exclusive inheritance. **How should the court rule?**

Suggested Answer: The court should rule in favor of Carey.

In *Cali Realty v. Enriquez (G.R. No. 257454, 26 July 2023),* the Supreme Court held that properties acquired during the marriage are presumed conjugal, even if titled in only one spouse's name, unless proven exclusively owned by one spouse, such as through inheritance or donation. Since Johan and Dianne were married before the Family Code took effect, the default regime is the conjugal partnership of gains. The properties were acquired during the marriage, and no clear proof was shown that they belonged solely to Johan. Thus, the court should recognize Carey's claim to her share of her mother's conjugal portion.

II. OBLIGATIONS AND CONTRACTS

Contracts; Form

38
Once the buyer fully pays the purchase price, the seller may be compelled to execute a notarized deed of sale, even if taxes remain unpaid.

In 2008, Clearwater Realty paid Sierra Properties ₱21 million as full purchase price for a parcel of land sold under a contract to sell. Despite receiving full payment, Sierra only issued an undated, unnotarized Deed of Sale, refusing notarization until Clearwater paid the documentary stamp tax and local taxes. Clearwater insists on its right to a notarized Deed of Absolute Sale to register the property. **Is the payment of taxes a condition precedent to notarization?**

Suggested Answer: No. Payment of taxes is not a condition precedent.

In *Fil-Estate Properties, Inc. v. Hermana Realty (G.R. No. 231936, 25 November 2020),* the Supreme Court held that full payment of the purchase price converts a contract to sell into an absolute sale. The buyer is then entitled, under Article 1357 of the Civil Code, to compel the seller to execute a notarized Deed of Absolute Sale. Tax obligations may affect registration, but they do not suspend the seller's duty to execute the deed.

Contracts; Defective Contracts

39
An absolutely simulated sale of agrarian land, lacking genuine intent and violating PD 27, is void, affirming that heirs are rightful co-owners by hereditary succession.

Mr. and Mrs. Torres mortgaged their land to Alto Rural Bank. Their daughter, Hannah, paid the loan, and in return, the spouses executed a Deed of Sale with Assumption of Mortgage in her favor. However, the spouses continued to possess and cultivate the land until they died. Later, Hannah mortgaged the land to Alex, who took possession. When Hannah's siblings found out, they demanded the land's return. **Should Alex return the land to the heirs?**

Suggested Answer: Yes. Alex should return the land to the heirs.

In *Dela Cruz v. Dumasig (G.R. No. 261491, 04 December 2023),* the Supreme Court ruled that a sale where the sellers continue to possess the land shows no real intent to transfer ownership, making the sale simulated and void. Thus, the land remains part of the estate, co-owned by all heirs. Any later transactions, like Hannah's mortgage to Alex, are also invalid.

40
Specific performance and rescission are alternative remedies under Article 1191 of the Civil Code.

PrimeLand Builders entered into a Joint Venture Agreement with GSIS to renovate and sell condominium units in State Towers. The agreement required PrimeLand to remit ₱180 million to GSIS as guaranteed payment, regardless of sales. However, PrimeLand failed to pay despite several demands, prompting GSIS to terminate the agreement. PrimeLand questioned the termination

before the trial court. The trial court upheld the cancellation and ordered PrimeLand to pay GSIS the ₱180 million. **Was the trial court's decision correct?**

Suggested Answer: No. The trial court's decision was not correct.

In *Chanelay Development Corp. v. GSIS (G.R. Nos. 210423 & 210539, 05 July 2021),* the Supreme Court ruled that specific performance and rescission are alternative remedies under Article 1191 of the Civil Code. Here, GSIS chose rescission. To insist on the ₱180 million payment would be tantamount to requiring specific performance. Consequently, such monetary award is no longer available to GSIS. Once GSIS rescinded the agreement, it could no longer demand performance under it. GSIS cannot have its cake and eat it too.

41
An action to declare a contract inexistent is imprescriptible under Article 1410 of the Civil Code.

In 1991, Adrian visited his parents, Roger and Lorna, and demanded that they sign a deed of sale transferring the property to him. When they refused, Adrian threw a briefcase at Roger. Out of fear, they signed without reading the document or receiving any payment. In 2002, they learned the property had been transferred to Adrian and his wife using another deed, which Roger also denies signing. In 2013, the spouses filed an action to nullify both deeds and recover the property. Adrian argues that the action is barred by prescription. **Is the action barred by prescription?**

Suggested Answer: No. The action is not barred by prescription.

In *Spouses Viovicente v. Spouses Viovicente (G.R. No. 219074, 28 July 2020),* the Supreme Court held that an action for the declaration of an inexistent contract, whether due to duress, lack of consent, or absolute simulation, is imprescriptible under Article 1410 of the Civil Code. Here, Roger and Lorna signed the 1991 deed under duress and denied executing the 2002 deed, rendering both inexistent and void. Their action, therefore, does not prescribe.

III. WILLS AND SUCCESSION

Different Kinds of Succession; Testamentary Succession

42
There is substantial compliance with Article 808 of the Civil Code when the testator's awareness and intent are clearly established, and there is no sign of fraud or coercion.

Celia Robles was a cripple who never went to school or learn to read or write. At 64, she executed a notarial will. Her lawyer read and explained it to her in the presence of two witnesses and a notary. Celia confirmed she understood and approved its contents. When Celia died, her half-siblings challenged the will for violating Article 808 of the Civil Code, which requires two readings for blind testators, and case law extending the same rule to illiterate testators. **Was Celia's will validly executed?**

Suggested Answer: Yes. Celia's will was validly executed in substantial compliance with Article 808 of the Civil Code.

In *Guia v. Cosico, Jr. (G.R. No. 246997, 05 May 2021),* the Supreme Court ruled that substantial compliance with Article 808 is enough when the testator's understanding and intent are clearly shown. Here, Celia's lawyer read and explained the will to her in the presence of the witnesses and notary. She confirmed her understanding and approved its contents. Even if the will was not read aloud twice, the purpose of the law was fulfilled, as it is shown that Celia was fully aware of her testamentary act, and there was no sign of fraud or coercion.

IV. SPECIAL CONTRACTS

Contract of Sale; Equitable Mortgage

43
If a contract labeled as a sale with right to repurchase is intended to secure a loan, it is an equitable mortgage. intent prevails over form.

Maya borrowed ₱20,000 from Liza, who required her to sign a deed of sale with pacto de retro over her land. It provided a 6-month repurchase period. Despite this, Maya remained in possession of the land and paid real estate taxes. When Maya failed to pay the loan, Liza filed to consolidate ownership, arguing that Maya failed to redeem. Maya claimed it was merely a loan secured by the property. **Was the contract a valid pacto de retro sale?**

Suggested Answer: No. The contract was an equitable mortgage.

In *Dala v. Auticio (G.R. No. 205672, 22 June 2022),* the Supreme Court ruled that despite being titled a pacto de retro sale, the contract was an equitable mortgage because the seller remained in possession, paid taxes, and the transaction was structured more as a security for a loan. The Court held that labels do not control; intent and circumstances prevail. Where the real intent is to secure a loan, the contract is deemed an equitable mortgage, not a sale.

Agency; Nature

44
An agent authorized to sell lacks the authority to revoke the sale without explicit permission.

GoldRock Realty, through a Special Power of Attorney (SPA), authorized its Vice President, Eva Ferrer, to sell certain parcels of land in Taguig on its behalf. In 2003, Eva executed a Contract to Sell a Taguig lot in favor of SteelPro Corporation. Years later, Eva signed a letter revoking the contract. SteelPro challenged the revocation, arguing that Eva had no authority to revoke the sale. **Was the revocation of the contract of sale made through agent Eva valid?**

Suggested Answer: No. The revocation of the contract was not valid.

In *AFP Retirement and Separation Benefits System v. Plastic King (G.R. No. 231395, 26 June 2023),* the Supreme Court ruled that an agent's authority to sell does not include the authority to revoke the sale unless clearly stated. Eva's authority was limited to selling the property. Since there was no special authority to revoke the contract, the revocation she signed was not valid.

V. CREDIT TRANSACTIONS

Guaranty and Suretyship

45
A surety's liability is joint and solidary with the principal debtor, and the creditor may directly sue the surety without first exhausting remedies against the principal.

Alpha Trading Corp. sold petroleum to Delta Sales, Inc. under a Distributor Agreement. To secure its obligations, Delta obtained an ₱8.5 million surety bond from Beta Guaranty Corp. Delta later defaulted, and Alpha demanded payment from both Delta and Beta. When Delta failed to pay, Alpha sued Beta Guaranty for the full amount of the bond. Beta countered that Alpha and Delta colluded to collect on the bond, as Alpha did not include Delta as a party defendant, even though the latter is the principal debtor. **As the judge, how would you rule?**

Suggested Answer: As the judge, I will give due course to Alpha's complaint

In *Subic Bay Distribution v. Western Guaranty (G.R. No. 220613, 11 November 2021),* the Supreme Court ruled that the liability of the surety is joint and solidary with that of the principal debtor, and the creditor may proceed against the surety alone, without first exhausting remedies against the latter. Even though the contract of a surety is secondary to the principal obligation, the surety becomes directly liable for the debt. Thus, Alpha's complaint may be given due course, even without impleading the principal debtor, Delta.

VI. PROPERTY, OWNERSHIP, AND ITS MODIFICATIONS

Ownership; Actions to Recover Ownership and Possession of Property

46
Illegal structures on public land can be removed, even without proof of specific individual damage.

Mr. and Mrs. Reyes operate rest houses along the shore of Alona Beach, which is a State-owned foreshore land. Their neighbors, Mr. and Mrs. Cruz, filed a complaint for abatement of nuisance. During hearing, it was proven that Spouses Reyes did not have the necessary government permits. However, no specific harm to Spouses Cruz was proven. **May the rest houses of Spouses Reyes be abated?**

Suggested Answer: Yes. The rest houses of Spouses Reyes may be abated for being a public nuisance.

In *Spouses Calimlim v. Goño (G.R. No. 272053, 14 January 2025),* the Supreme Court held that structures constructed without government authorization on public land, such as foreshore areas, constitute a public nuisance. Such unauthorized constructions interfere with the public's right to use these areas freely and may be abated or removed without the need to prove specific harm to individuals.

47
A complaint for unlawful detainer must allege initial lawful possession by the defendant; otherwise, it may be forcible entry and subject to dismissal.

In 2008, siblings Elsa and Gerry filed an unlawful detainer case against Ernie. In the complaint, they alleged that their mother, from whom they had been estranged since 2003, had turned over their family home to Ernie without their knowledge or consent. When they discovered Ernie's occupation in 2007 and tried to return, Ernie refused them entry, claiming to have bought the property from their mother in 2004, though no deed of sale was ever shown. They sent a demand letter to vacate in 2008, but Ernie still refused. **Are the allegations in the complaint sufficient to make a case for unlawful detainer?**

Suggested Answer: No. The allegations are not sufficient.

In *Chansuyco v. Spouses Paltep (G.R. Nos. 208733-34, 19 August 2019),* the Supreme Court held that a complaint for unlawful detainer must allege that the defendant's possession was initially lawful or tolerated by the plaintiff. Here, the siblings failed to allege how Ernie's initial possession was lawful. Instead, their allegation that they merely discovered his occupation in 2007 shows that Ernie's possession was adverse from the start. Such facts constitute forcible entry, not unlawful detainer. Thus, the complaint was insufficient and should have been dismissed outright.

Different Modes of Acquiring Ownership; Prescription

48
Possession of registered land won't confer ownership by prescription, but recovery can be barred if the registered owner fails to act within the prescriptive period.

Tomas was the registered owner of Lot 5123. In 1962, he sold it to Teresa through a notarized Deed of Absolute Sale. Since then, Teresa, and later her heirs, had been in open, continuous possession of the lot. In 1993, the heirs of Tomas filed a complaint for ownership and recovery of possession against the heirs of Teresa, claiming the lot was never sold. They did not dispute the latter's possession since 1962 but argued that, being registered land, it could not be acquired by prescription. **Who has the better right over Lot 5123?**

Suggested Answer: The heirs of Teresa have a better right.

In *Heirs of Yadao v. Heirs of Caletina (G.R. No. 230784, 15 February 2022),* the Supreme Court ruled that while acquisitive prescription does not apply to registered land, recovery may be barred by extinctive prescription if the registered owner or heirs fail to assert their claim within the prescriptive period, generally 10 years in cases of constructive trust or fraud. Here, possession lasted 31 years after the sale without objection from Tomas's heirs, who also failed to justify their inaction. By the time the complaint was filed in 1993, the prescriptive period had already expired. The Court stressed that the law aids the vigilant, not those who sleep on their rights.

VII. DAMAGES

Kinds; Actual and Compensatory Damages

49
Unconscionable interest and penalties imposed without prior demand may be equitably reduced by the courts.

Luz Mendoza, a retired government employee, applied for a reduction of the 12% interest and 6% penalties per annum compounded monthly on her GSIS loans. Due to these charges, her original loan of ₱147,000 ballooned to ₱638,000. GSIS also did not issue prior demands for payment. GSIS denied her request. **Is Luz entitled to the reduction of interest and penalties?**

Suggested Answer: Yes. Luz is entitled to a reduction of interest and penalties.

In *Aclado v. GSIS (G.R. No. 260428, 01 March 2023),* the Supreme Court ruled that courts may equitably reduce penalties and interest that are iniquitous or unconscionable under the Civil Code. The Court found GSIS's 12% interest and 6% penalties per annum compounded monthly, unreasonable and oppressive, causing the loan amount to multiply over four times. Additionally, GSIS failed to send prior payment demands, a requirement before declaring default and imposing penalties. Accordingly, Luz is entitled to a waiver of unconscionable interest and the reduction of penalties, in line with equitable principles and to prevent unjust enrichment.

Kinds; Moral Damages

50
A claim for malicious prosecution requires proof of legal action filed with malice, without probable cause, and terminated in favor of the plaintiff.

Manuel del Prado, manager of Expo Logistics, discovered that Benjie, an air-conditioning assistant, had been spying on him and reporting to his business partner due to suspicions of unreported deals. Their relationship soured, and the workplace became hostile, forcing Benjie to resign. Shortly after, del Prado filed a criminal complaint for malicious mischief, accusing Benjie of cutting and concealing air-conditioning cables, allegedly causing ₱30 million in business losses. It was later shown that no such damage occurred, as the cables were recovered in time. The complaint was dismissed for lack of probable cause, with findings that del Prado acted out of personal grudge. Benjie then sued for malicious prosecution. **Will Benjie's complaint prosper?**

Suggested Answer: Yes. Benjie's complaint will prosper.

In *Sosmeña v. Bonafe (G.R. No. 232677, 08 June 2020),* the Supreme Court ruled that malicious prosecution requires: (1) a legal action initiated by the defendant, (2) termination in the plaintiff's favor, (3) absence of probable cause, and (4) malice. All elements are present here. Del Prado filed the complaint against Benjie, which was dismissed for lack of probable cause, and it was further found that he was motivated by personal grudge. Thus, Benjie's complaint will prosper.

LABOR LAW AND SOCIAL LEGISLATIONS

I. INTRODUCTION TO LABOR LAW

Legal Basis; Labor Code

51
Employees of non-chartered GOCCs are covered by the Labor Code, not the Civil Service Law, and enjoy labor law protection, including security in established benefits.

Northbridge, a government-owned and controlled corporation incorporated under the Corporation Code and 90% government-owned, discontinued the mid-year bonus it had consistently given since 1992. It claimed that under the GOCC Governance Act, such bonuses now required presidential approval. Employees filed a complaint for illegal diminution of benefits under Article 100 of the Labor Code. Northbridge argued that, as a GOCC, its employees fall under Civil Service rules, not the Labor Code. **Is Northbridge correct?**

Suggested Answer: No. Northbridge is incorrect. The Labor Code applies to its employees.

In *Philippine National Construction Corp. v. NLRC (G.R. No. 248401, 23 June 2021),* the Supreme Court ruled that GOCCs without original charters but incorporated under the Corporation Code are covered by the Labor Code, not the Civil Service Law. The Constitution limits Civil Service coverage to GOCCs with original charters. Since Northbridge is a non-chartered GOCC, its employees are entitled to labor law protection, including security in long-standing benefits.

Recruitment and Placement; Seafarers

52
The POEA contract's three-day rule to consult a company doctor upon repatriation is not absolute and may be excused for valid, documented reasons grounded in labor justice.

Anthony, a seafarer for Nordic Shipping, was medically repatriated on June 1, 2014. With no assistance from the company, he went straight home to Cavite. The next day, he used his company-issued health card to see a private doctor and was later hospitalized. He underwent surgery and was diagnosed with renal cancer. His wife notified the employer. Eight months later, two independent doctors declared him unfit to work. He then filed a claim for total and permanent disability. Nordic argued that Anthony forfeited his claim by failing to report to the company-designated physician within three days of repatriation, as required under the (then) POEA Standard Employment Contract. **Is Nordic correct?**

Suggested Answer: No. Nordic is not correct.

In *Caraan v. Grieg Philippines (G.R. No. 252199, 05 May 2021),* the Supreme Court held that the three-day reportorial rule is not absolute. It may be excused for valid reasons, such as serious illness or the employer's failure to provide assistance. The Court emphasized that social justice and the liberal interpretation of labor laws must prevail. As in Caraan, Anthony sought immediate treatment for a serious illness, informed his employer, and was later declared unfit to work. Thus, his claim remains valid.

II. JURISDICTION AND REMEDIES

Jurisdiction; Indemnity

53
Labor tribunals have jurisdiction over employment bond claims arising from the employer-employee relationship.

Zenith Solutions hired Nova as a Network Engineer. After four months, Nova resigned. She was told she had to pay an ₱80,000 "employment bond" under her contract if she resigned within two years. Before her resignation took effect, Nova was preventively suspended for alleged misconduct. She filed a complaint for unfair labor practices and illegal suspension. The Labor Arbiter ruled in her favor but ordered the ₱80,000 bond deducted from her award. Nova argued that the bond claim should be heard by regular courts. **Is Nova correct?**

Suggested Answer: No. Nova is incorrect.

In *Comscentre Phils., Inc. v. Rocio (G.R. No. 222212, 22 January 2020),* the Supreme Court held that labor tribunals have jurisdiction over claims like an "employment bond" if there is a reasonable causal connection with the employer-employee relationship, even if based on civil law. As long as there's a clear link to the employer-employee relationship, the claim belongs before labor tribunals, not regular courts.

NLRC

54
Relaxed rules of evidence in labor cases do not excuse violations of due process: late evidence must be justified, and the other party must be allowed to rebut.

Alfred, a housekeeper at SkyServe Janitorial Agency, was suspended after he questioned his supervisor's inconsistent disciplinary policies in a meeting. Upon return, the HR officer told him he was dismissed and ordered him to leave. Alfred filed a complaint for illegal dismissal. The Labor Arbiter ruled in his favor. On appeal, SkyServe submitted for the first time, affidavits of its HR officer and supervisor denying the dismissal. The NLRC admitted the affidavits and reversed the ruling, reasoning that technical rules do not apply in labor cases and that the affidavits shifted the burden to Alfred to prove dismissal. **Was the NLRC correct?**

Suggested Answer: No. The NLRC was not correct.

In *Agapito v. Aeroplus (G.R. No. 248304, 20 April 2022),* the Supreme Court ruled that while labor tribunals are not bound by strict technical rules of evidence, the relaxation of rules does not justify disregard of due process, fair play, and justice. Any delay in the submission of evidence should be adequately explained and should adequately prove the allegations sought to be proven. Here, the NLRC erred in admitting and relying on belated affidavits submitted by SkyServe only after an adverse ruling was rendered against it, without valid explanation and without giving Alfred a reasonable opportunity to rebut them.

III. WORK RELATIONSHIPS

Employer-employee relations; Burden of proving employer-employee relationship

55
In informal work setups, consistent and credible testimony may be enough to establish an employer-employee relationship, even without formal documentation.

Grace registered Mary as an employee in her carinderia in 1978. Mary later made 137 SSS contributions and received retirement pension at 60. In 2001, the SSS cancelled her membership and pension, claiming she was never a legitimate employee and thus not a "covered employee" under the Social Security Law. To prove her employment, Mary presented her affidavit and those of Grace's son, a firewood supplier, and a meat deliveryman, all affirming she worked daily as a helper. **Should Mary's membership and pension be reinstated?**

Suggested Answer: Yes. Mary's membership and pension should be reinstated.

In *Salabe v. Social Security Commission (G.R. No. 223018, 27 August 2020),* the Supreme Court ruled that credible and consistent testimonial evidence may sufficiently prove an employer-employee relationship, especially in informal setups like carinderias. Considering the nature of the business, the lapse of time, and the loss of formal records, Mary's evidence was adequate to establish her status as a covered employee.

Independent Contractor – Trilateral Relations

56
A registered labor contractor with substantial capital and control over work performance is the employer of the deployed workers, not the principal.

Karen and others were deployed by Worx Solutions to Maglona's poultry plant. When Maglona shut down, they sued both firms for illegal dismissal, claiming they were Maglona's regular employees since they performed essential tasks like dressing, packaging, sanitation, and transport. They also attended its trainings. Maglona denied any employment relationship, while Worx asserted it was registered with the Department of Labor and Employment as a labor contractor with ₱20 million in capital, its own staff and assets, and control over the workers, as it paid their wages, assigned their schedules, and monitored their performance. **Were the workers regular employees of Maglona?**

Suggested Answer: No. The workers were not regular employees of Maglona. They were employees of Worx.

In *Martinez vs. Romac (G.R. Nos. 231579 & 231636, 16 June 2021),* the Supreme Court held that a labor contractor is presumed legitimate if it is duly registered, has an independent business, substantial capital and assets. Moreover, an employer-employee relationship exists between the contractor and the deployed workers if the former exercises control over the performance of the latter's work. Here, Worx was a duly registered labor contractor with substantial capital and assets, and it exercised control over the workers assigned to Maglona by assigning their schedules and monitoring their performance. Maglona's role in training the workers did not amount to control

over work methods. Thus, Worx is the employer of the workers and no employer-employee relationship existed between them and Maglona.

Independent Contractor – Bilateral Relations

57
Fitness trainers reclassified as freelancers were actually regular employees, emphasizing the employer's control over work performance as a critical factor in determining employment status.

Fitro hired Nathan as a freelance fitness trainer with a fixed monthly salary but without benefits like 13th-month pay, overtime, or holiday pay. Nathan could manage his schedule but had to complete 90 hours and ₱80,000 worth of training programs per month. Missing these quotas led to pay deductions or disciplinary action. Repeated failure could lead to termination. He was also barred from working with other fitness companies. Nathan claimed that he is a regular employee and thus entitled to the payment of other benefits. Fitro claimed that Nathan is an independent contractor. **Who between Nathan and Fitro is correct?**

Suggested Answer: Nathan is correct. He is a regular employee, not an independent contractor.

In *Escauriaga v. Fitness First (G.R. No. 266552, 22 January 2024),* the Supreme Court ruled that similar trainers were regular employees. Applying the four-fold test, the Court found that Fitness First exercised control over the trainers' hiring, firing, and performance standards, and paid them fixed compensation. The economic dependence test further revealed that the trainers were economically dependent on Fitness First, as they were prohibited from offering services outside the company and relied solely on it for their livelihood. Nathan's situation is the same, entitling him to full employee benefits.

IV. POST-EMPLOYMENT: KINDS OF EMPLOYMENT

Fixed Term Employees

58
Repeated fixed-term contracts can't override regular status when the employee performs vital, continuous work for the employer.

Oceanic Training Solutions hired Rosa Del Mar as a maritime instructor under successive 3-month "Consultancy Agreements" from 2012 to 2014, and "Fixed-Term Employment" contracts from 2015 to 2017. These were continuously renewed for nearly six years. At age 60, Rosa sought retirement benefits, but Oceanic denied her claim, asserting that she was not entitled to them because she was not a regular employee. **Is Oceanic correct?**

Suggested Answer: No. Oceanic is incorrect.

In *Sampana v. Maritime Training Center of the Philippines (G.R. No. 264439, 26 February 2024),* the Supreme Court ruled that repeated fixed-term or consultancy contracts do not prevent regular employment status if the work performed is necessary and desirable to the employer's business. The Court found that this setup may be a scheme to deny workers security of tenure. Like in Sampana, Rosa's continuous service in a vital role qualifies her as a regular employee. Having

reached the age of 60 and completed more than five years of service, she is entitled to retirement benefits.

Seasonal Employees

59
Repeated rehiring for necessary tasks makes workers regular, not seasonal employees, even if the business operation itself is seasonal.

Anna, Ben, and Carlo worked as kitchen and maintenance staff at Eden Life Camp. For five years, they were repeatedly hired every Holy Week, summer, and Christmas. They received no notice of termination between seasons. One year, they were no longer rehired. They filed for illegal dismissal. Eden claimed they were merely seasonal workers and their employment was terminated after every seasonal year. **Is Eden correct?**

Suggested Answer: No. Eden is incorrect. Anna, Ben, and Carlo are not seasonal but regular employees.

In *Espina v. Highlands Camp (G.R. Nos. 220935 & 219868, 28 July 2020),* the Supreme Court ruled that workers repeatedly rehired over time to perform tasks necessary and desirable to the employer's usual business are considered regular employees. The periodic nature of the business does not negate regular status if the employment pattern shows continuity. Since Anna, Ben, and Carlo were consistently rehired without termination notices, their work formed part of the regular operations of Eden Foundation. Thus, they enjoyed security of tenure as regular employees.

V. TERMINATION BY EMPLOYER

Generally

60
Once dismissal is proven, the employer bears the burden to justify it with valid cause. Unsupported claims won't suffice.

Tristan filed a complaint for illegal dismissal against VitaMed Labs, claiming that he was ordered to resign after failing to deliver pharmaceutical items due to illness. When he refused to sign the resignation letter, his manager told him to go home and never return. He presented pay slips and the company's license naming him as a pharmacist as proof. VitaMed argued that Tristan abandoned his work and was a probationary employee. **Will Tristan's complaint prosper?**

Suggested Answer: Yes. Tristan's complaint will prosper. He was illegally dismissed.

In *Tapia v. GA2 Pharmaceutical (G.R. No. 235725, 28 September 2022),* the Supreme Court ruled that once an employee proves the fact of dismissal with substantial evidence, the burden shifts to the employer to prove it was for a just or authorized cause. Tristan's account, supported by evidence, was enough to establish illegal dismissal, while VitaMed's claims of abandonment and probationary status were unsubstantiated.

Just Causes; Serious Misconduct

61
A teacher's act of denying a young child's urgent restroom request and calling him a liar constitutes serious misconduct warranting dismissal, as it endangers the child's welfare and betrays the high moral standards of the teaching profession.

Ms. Laura Diaz, a preschool teacher at Holy Shepherd Academy, twice denied a five-year-old student's request to use the restroom, causing him to wet himself. She then called him a liar in front of classmates. After investigation, she was dismissed for serious misconduct. She claims the dismissal is illegal due to her 20 years of service and clean record. **Is the dismissal valid?**

Suggested Answer: Yes. The dismissal is valid.

In *St. Benedict Childhood Education Centre v. San Jose (G.R. No. 225991, 13 January 2021),* the Court held that dismissal for serious misconduct requires that the act (1) be grave in character, (2) related to the employee's duties, and (3) show unfitness to continue working. Here, Ms. Diaz's act of denying a young child's urgent restroom request twice, was grave, causing humiliation and distress to a vulnerable pupil. It was related to her duty as a teacher to protect students' welfare. Finally, it showed unfitness to continue working, as the conduct betrayed the high moral standards and trust required in the teaching profession. Long service cannot excuse conduct that violates the core duties of the profession.

Just Causes; Willful Breach of Trust

62
Rank-and-file employees in positions of trust may be lawfully dismissed for acts justifying the loss of trust.

Jeric, a captain waiter at the Royal Horizon Hotel, was tasked with tallying cash counts against transaction receipts. While closing at the restaurant, he discovered a ₱6,500 overage. He kept the excess cash in his locker and submitted a report stating that the discrepancy had been reconciled. Days later, he gave the money to the head waitress for safekeeping. He was dismissed for willful breach of trust. Jeric argued that his dismissal was illegal since as a rank-and-file employee, he did not hold a position of trust. **Was the dismissal valid?**

Suggested Answer: Yes. The dismissal was valid.

In *The Peninsula Manila v. Jara (G.R. No. 225586, 29 July 2019),* the Court held that certain rank-and-file employees, such as cashiers or captain waiters handling large sums of money, occupy positions of trust and confidence and may be dismissed for acts justifying loss of trust. Being tasked with reconciling cash transactions, Jeric held such a position. His acts of misrepresenting the reconciliation, falsifying a report, and failing to promptly inform his supervisor justified the loss of trust. Thus, he was validly dismissed.

Just Causes; Other Analogous Cause

63
Abandonment requires unjustified absence and a clear intent to sever the employment relationship. Filing a complaint for constructive dismissal negates intent to abandon.

Due to performance issues, Troy, an account manager, was demoted to clerical duties and reassigned from the field to office work. Feeling harassed, shamed, and humiliated, he stopped reporting for work and filed a complaint for constructive dismissal with the labor arbiter on the same day. The company issued a show-cause memorandum for abandonment of work and later a dismissal notice. **Was Troy's failure to report for work considered abandonment?**

Suggested Answer: No. Troy's failure to report for work was not considered abandonment.

In *JS Unitrade Merchandise v. Samson, Jr. (G.R. No. 200405, 26 February 2020),* the Supreme Court ruled that abandonment requires both (1) unjustified absence and (2) a clear intent to sever the employer–employee relationship. Here, Reyes stopped reporting after his demotion but immediately filed a complaint for constructive dismissal, demonstrating an intention to contest management's actions, not to abandon his job. Thus, his absence should not be considered an abandonment of his work.

Constructive Dismissal

64
Verbal abuse and employer indifference that compel an employee to resign amount to constructive dismissal.

Tony worked as a car sales agent at Velocity Motors. After five years, he resigned due to several incidents involving company officers. Among others, the President humiliated him in a meeting, his accounts were transferred without explanation, and his manager refused to sign his sales proposals. He was also pressured to explain his failure to meet quotas and accept a reduced performance bonus. Tony filed a complaint for constructive dismissal. **Will Tony's complaint prosper?**

Suggested Answer: Yes, Tony's complaint will prosper. He was constructively dismissed.

In *Bartolome v. Toyota Quezon Avenue (G.R. No. 254465, 03 April 2024),* the Supreme Court ruled that acts of disdain and hostile behavior, such as demotion, insulting remarks, coercive resignation requests, and apathetic conduct, constitute constructive illegal dismissal when they make an employee's working conditions so unbearable that a reasonable person would feel compelled to resign.

Authorized Causes; Redundancy

65
Redundancy must be supported by substantial evidence and exercised in good faith, not as a disguise for cost-cutting or dismissal.

Carlos worked for Zest Beverages for 18 years and was last employed as a Cold Drink Associate. In 2013, his position was abolished under a redundancy program. Zest later created two new roles, Cold Drink Operations Supervisor and Cold Drink Equipment Analyst, with similar functions but lower pay. After receiving a termination notice, Carlos filed a complaint for illegal dismissal. Zest claimed that Carlos' termination was authorized due to redundancy. It presented an affidavit from its HR Manager, stating that Carlos' position was found to be redundant after assessments and meetings. **Was Carlos validly dismissed on the ground of redundancy?**

Suggested Answer: No. Carlos was not validly dismissed.

In *Aguilera v. Coca-Cola FEMSA Philippines (G.R. No. 238941, 29 September 2021),* the Supreme Court ruled that redundancy must be supported by substantial evidence and done in good faith. Here, the HR Manager's affidavit does not constitute substantial evidence. It lacked specific details or supporting documents, such as a reorganization plan or objective criteria. Moreover, creating two new positions with the same duties but lower pay indicated bad faith. Redundancy cannot be used to evade security of tenure or reduce labor costs.

VI. RETIREMENT

66
Retirement benefits under a private plan must not be less than the statutory minimum. Pursuing post-retirement work does not diminish entitlement to retirement benefits.

Prof. Rosa passed the Bar exams while serving as a full-time college instructor at Metro South University. At 42, she completed 16 years of service. Intending to practice law, she applied for optional retirement under the school's Faculty Manual. The university granted her retirement pay equivalent to 15 days per year of service. Rosa claimed she was entitled to 22.5 days per year under Article 302 [287] of the Labor Code. The NLRC ruled that the Labor Code does not apply since Rosa retired early to practice law. Thus, she is entitled to the benefits under the Faculty Manual. **Was the NLRC correct?**

Suggested Answer: No. The NLRC was incorrect.

In *Santo v. University of Cebu (G.R. No. 232522, 28 August 2019),* the Supreme Court ruled that the Retirement Pay Law does not prohibit post-retirement employment. Moreover, if a retirement plan grants less than the statutory minimum, Article 302 [287] applies. Here, it is apparent that the benefit provided under the Faculty Manual is much less than that provided under the Labor Code. Thus, the latter should apply. Prof. Rosa's intent to practice law after retirement, does not diminish her entitlement to retirement benefits under the law.

CRIMINAL LAW

I. REVISED PENAL CODE – BOOK ONE

Circumstances Affecting Criminal Liability; Justifying Circumstances

67
Self-defense fails if the accused provoked the aggression, even if the victim initiated the attack and the means employed were reasonable.

Police Officers Carlos and Arnel were drinking at Luna's Bar. Paolo and his friends were at the adjacent Bamboo Breeze Bar. Around 9:30 p.m., Krista, Paolo's mother, arrived to fetch them. As they exited Bamboo Breeze, they caused some noise. PO2 Carlos admonished them. A verbal altercation followed, during which Carlos cursed, shouted expletives, and pushed Krista. Paolo then struck Carlos with a beer bottle, causing him to fall. As Paolo and his friends moved in to attack, Carlos shot Paolo in the torso. Charged with frustrated murder, Carlos claimed self-defense. **Is his claim tenable?**

Suggested Answer: No. Carlos' claim of self-defense is not tenable.

In *Cambe v. People (G.R. Nos. 254269 & 254346, 13 October 2021),* the Supreme Court ruled that self-defense requires: (1) unlawful aggression, (2) reasonable necessity of the means employed, and (3) lack of sufficient provocation. Here, while Carlos faced unlawful aggression from Paolo's group when they struck him with a beer bottle, and used reasonable means to repel it by shooting as they prepared to attack while he was down, the third element is lacking. Carlos' act of cursing, shouting, and pushing Krista sufficiently provoked Paolo's group, inciting their retaliatory attack. Thus, his claim of self-defense is untenable.

68
In self-defense, the reasonableness of the force used is judged from the defender's perspective at the moment of threat, even if it results in multiple wounds.

Carlos was drinking with friends when Jerome forcibly entered his yard, carrying two large stones and a knife. When Carlos's father tried to intervene, Jerome knocked him unconscious. Carlos fired a warning shot, but Jerome continued to advance, shouting threats to kill. Carlos then shot Jerome four more times, resulting in his death. Charged with homicide, Carlos claims self-defense. **Does the number of gunshots negate the reasonable necessity of the means employed?**

Suggested Answer: No. The number of gunshots does not negate the reasonable necessity of the means employed.

In *Ganal, Jr. v. People (G.R. No. 248130, 02 December 2020),* the Supreme Court held that multiple wounds do not negate self-defense if the force used was reasonably necessary as perceived at the time. Necessity must be judged from the defender's perspective during the threat. Like in Ganal, Carlos faced an armed, aggressive intruder who ignored a warning shot and kept advancing. His use of force was justified to protect himself and his family.

II. REVISED PENAL CODE – BOOK TWO

Title Four - Crimes Against Public Interest

69
Intent to cause harm or gain benefit is not an element of the crime of falsification of a public document. What is punished is the falsity itself.

Inspector Ramon was charged with falsification of a public document. The Information alleged that he filled out a Temporary Operator's Permit (TOP) naming his 17-year-old son, Mark, as the driver, falsely indicating Mark's birthdate as June 10, 1974, instead of June 10, 1977, making him appear 20 years old. The TOP was recovered from Mark's car after a traffic accident. Ramon admitted to the allegations but claimed no intent to cause harm or gain benefit as he used the TOP only as a visual aid for his lectures. **Should Ramon be held guilty?**

Suggested Answer: Yes. Ramon should be held guilty.

In *Liwanag, Sr. v. People (G.R. No. 205260, 29 July 2019),* the Supreme Court ruled that intent to cause harm or gain benefit is not an element of the crime of falsification of a public document. Nor is it a valid defense. Falsification under Article 171, paragraph 4 of the Revised Penal Code is committed when a public officer makes untruthful statements in a narration of facts in a public document. What is punished is the falsity itself because it undermines the integrity of public documents and erodes public trust. Here, Ramon falsely recorded his minor son's name and birthdate in an official TOP. He should be held guilty, regardless of the presence of intent to gain or injure.

Title Eight - Crimes Against Persons

70
Other than a birth certificate, any competent evidence, including admissions or stipulations, may prove the parent-child relationship to support a conviction for parricide.

During a heated argument, Ryan stabbed his father to death. Ryan admitted under oath that the victim was his father and also stipulated this fact during pre-trial. However, the prosecution failed to submit Ryan's birth certificate to prove the parent-child relationship. Ryan was convicted of parricide. He appealed, arguing that without his birth certificate, the relationship required by law was not proven. **Was Ryan's conviction proper?**

Suggested Answer: Yes. Ryan's conviction was proper.

In *People v. Delos Santos, Jr. (G.R. No. 248929, 09 November 2020),* the Supreme Court ruled that for parricide, the requisite parent-child relationship may be established by oral or any competent evidence, not just a birth certificate. Here, Ryan himself admitted and stipulated that the victim was his father. That Ryan's certificate of live birth was not presented in evidence does not negate his culpability.

71

Treachery requires not just a sudden attack, but a consciously adopted method ensuring the victim has no defense while leaving no risk to the assailant. Mere suddenness is not enough.

At a barangay benefit dance, an altercation broke out between Mike's group and some locals. When Rafael tried to pacify them, Mike got enraged, pulled out a revolver, and shot Rafael in the chest without warning. Rafael later died. Mike was convicted of Murder. The trial court found that treachery existed as the sudden attack left Rafael unable to defend himself. On appeal, Mike argued that treachery was not established and sought to reduce the crime to Homicide. **As judge, how would you rule?**

Suggested Answer: As judge, I would grant Mike's appeal and convict him only of Homicide.

In *People v. Albino (G.R. No. 229928, 22 July 2019),* the Court ruled that treachery requires not only a sudden attack but also a consciously adopted method of assault that ensures the victim cannot defend himself while leaving no risk to the assailant. Mere suddenness is not enough. Here, while the attack was sudden, it did not amount to treachery as Mike, being enraged, had no time to reflect on his actions. Moreover, the attack itself was frontal, hitting Rafael in the chest, which, when taken with other circumstances, negates the existence of treachery. Thus, Mike should be convicted of Homicide only.

72

When the primary intent is to have carnal knowledge of the victim, the proper charge is rape, which absorbs the crime of forcible abduction.

Romeo took Julie, then a 16-year-old girl, against her will. Julie narrated that Romeo placed a foul-smelling handkerchief over her mouth and nose, which rendered her unconscious. When she regained consciousness, she was completely naked with soreness in her private parts. The Medico Legal Certificate confirmed that Julie was sexually assaulted. The trial court convicted Romeo of Kidnapping with Rape, while the Court of Appeals convicted him of forcible abduction. **What crime is Romeo guilty of?**

Suggested Answer: Romeo is guilty of rape only.

In *Romero v. People (G.R. No. 267093, 29 May 2024),* the Supreme Court ruled that when the primary intent of the abductor is to have carnal knowledge of the victim, the crime of rape absorbs forcible abduction. In such case, abduction was merely a means to facilitate the rape. Further, in the absence of direct evidence, rape may be established by sufficient circumstantial evidence.

Title Nine - Crimes Against Personal Liberty and Security

73

Actual confinement that restrains freedom of movement, even without physical barriers, constitutes serious illegal detention when committed against a minor.

Leo, 15 years old, went to Laguna with Dino, a senior member of the Lex Alpha fraternity. While waiting for another member, Dino blindfolded Leo and tied his hands with nylon cord. Believing it was part of the initiation, Leo did not resist. But then, Dino suddenly pushed him into a 20-foot pit.

He remained trapped in the pit for two days before escaping. **What crime did Dino commit, if any?**

Suggested Answer: Dino committed the crime of serious illegal detention.

In *People v. Delos Reyes (G.R. No. 264958, 14 August 2023),* the Supreme Court ruled that serious illegal detention is committed when a private individual unlawfully restrains another's liberty, and a qualifying circumstance under Article 267 is present, such as the victim being a minor. Here, Dino is a private individual who, without legal authority, deprived Leo, a 15-year-old minor, of his liberty by confining him in a pit. Actual confinement, even without physical barriers, constitutes detention if freedom of movement is restrained.

74
Grave threats require both a serious threat and intent to intimidate; vague, uncommunicated remarks create reasonable doubt.

While chasing a group of illegal fishers near his family's fishpond, Carlito stopped and asked a bystander, Mario, if Barangay Captain Ernesto was nearby. When told he wasn't, Carlito allegedly muttered, "patayin natin 'yan minsan." Days later, Mario reported the incident to Ernesto, who claimed to feel threatened due to a prior land dispute with Carlito. No further encounters occurred. Carlito was charged with grave threats, with Mario as the sole witness. **Should Carlito be held guilty?**

Suggested Answer: No. Carlito should not be held guilty.

In *Garma v. People (G.R. No. 248317, 16 March 2022),* the Supreme Court ruled that to convict a person of grave threats, both the actus reus or a serious threat to commit a crime, and mens rea or the intent to intimidate or instill fear, must be clearly established. Vague, spontaneous remarks, especially those not directed at the alleged victim and lacking follow-through, are insufficient. In Carlito's case, the statement was uttered casually, not communicated to Ernesto, and was supported only by a single, uncorroborated witness. As in Garma, this creates reasonable doubt. Thus, no criminal liability attaches.

Title Ten - Crimes Against Property

75
In robbery with homicide, liability remains even if the person killed is a co-conspirator and the killing was done by someone else.

Luis, David, and Jonas boarded a jeepney and declared a holdup. Luis blocked the exit with a knife, David threatened the driver, and Jonas collected the valuables. As they fled, a police officer tried to arrest them. Jonas pulled a gun, leading to a scuffle where Jonas was shot and killed. Luis and David were charged with robbery with homicide. They argue they shouldn't be liable for Jonas's death since he was their co-conspirator, and it was the police officer who killed him. **Are Luis and David correctly charged with robbery with homicide?**

Suggested Answer: Yes. Luis and David are properly charged with robbery with homicide.

In *People v. Casabuena (G.R. No. 246580, 23 June 2020),* the Supreme Court ruled that when a homicide occurs by reason or on the occasion of a robbery, the crime is robbery with homicide, regardless of who was killed, even a co-conspirator, and who caused the death, even a police officer. The Court emphasized that the law does not require the robbers themselves to have committed the killing. Since Luis and David conspired in the robbery that led to Jonas's death, they are liable for the special complex crime.

76
Illegal recruitment and estafa are separate offenses, one under special law, the other under the Penal Code, and a single act can validly result in convictions for both.

Mario recruited ten individuals, including his neighbors and relatives, promising them overseas jobs as factory workers in South Korea. He collected ₱100,000 as placement fees from each but failed to secure valid employment contracts. It was later discovered that Mario had no license or authority from the Department of Migrant Workers to recruit workers. He is charged with both illegal recruitment in large scale and estafa. **May Mario be convicted of both crimes?**

Suggested Answer: Yes. Mario may be convicted of both crimes.

In *People v. Marzan (G.R. No. 227093, 21 September 2022),* the Supreme Court ruled that illegal recruitment and estafa are distinct offenses, and a person may be convicted of both even if they arise from the same acts. Illegal recruitment violates special laws, while estafa punishes deceit under the Revised Penal Code. Like Marzan, Mario falsely promised jobs abroad without a license and collected money, constituting illegal recruitment and independently, estafa through deceit.

Title Eleven - Crimes Against Chastity

77
Circumstantial evidence, such as repeated clandestine meetings and hotel records, can suffice for an adultery conviction.

Nestor Castro discovered his wife, Isabel, in a hotel room with her alleged lover, Emilio Santiago. Nestor filed a complaint for adultery. During the trial, Isabel argued that the prosecution failed to prove that she and Emilio engaged in sexual intercourse. The prosecution relied on Nestor's testimony and hotel records showing multiple check-ins by Isabel and Emilio. **Can Isabel be convicted of adultery based on these pieces of evidence?**

Suggested Answer: Yes. Isabel can be convicted of adultery.

In *Valencia v. People (G.R. No. 244657, 12 February 2024),* the Supreme Court ruled that direct proof of sexual intercourse is not necessary for a conviction of adultery. Circumstantial evidence, such as the accused being found in a compromising situation and records indicating repeated meetings, can suffice. The Court held that such evidence, when taken together, can establish the fact of illicit relations beyond a reasonable doubt. Nestor's testimony and hotel records in Isabel's case are sufficient for conviction.

III. SPECIAL PENAL LAWS

Anti-Graft and Corrupt Practices Act

78
Procedural lapses in procurement don't amount to graft without proof of bad faith, gross negligence, or undue injury.

The provincial government of San Roque purchased a Mitsubishi ambulance. Due to irregularities in the procurement process, such as specifying the brand and revising documents post-delivery, provincial officials were charged under Section 3(e) of the Anti-Graft Law for allegedly causing undue injury to the government and giving unwarranted benefits to the supplier. Notwithstanding, the ambulance was fully functional and delivered without overpricing. **Should the officials be held criminally liable?**

Suggested Answer: No. The officials should not be held criminally liable.

In *People v. Marrero (G.R. No. 268342, 15 May 2024),* the Supreme Court ruled that mere procedural lapses or the presence of irregularities in procurement do not establish criminal liability under Section 3(e) of the Anti-Graft Law, absent proof of manifest partiality, evident bad faith, or gross inexcusable negligence. Since the government received a fully equipped ambulance with no evidence of overpricing or damage to the government, the prosecution failed to prove the essential elements of the offense beyond reasonable doubt.

Anti-Trafficking in Persons Act

79
Human trafficking can be committed even with the victim's consent.

One day, Claire, then a 16-year-old, met her so-called "Tita" under the impression that they would meet with her volleyball friends. Claire boarded Tita's car, but later Tita disembarked, and Nilo rode and drove the same to a hotel. He put Claire in a room and told her he had given Tita ₱5,000. He then proceeded to molest and have carnal knowledge of the girl. Nilo claimed that Claire voluntarily went with him. **What crime did Nilo commit, if any?**

Suggested Answer: Nilo committed the crime of qualified trafficking.

In *People v. Tuazon (G.R. No. 267946, 27 May 2024),* the Supreme Court reiterated that the gravamen of the crime of trafficking is the act of recruiting or using, with or without consent, a fellow human being for sexual exploitation, among others. The crime may be committed with or without the victim's consent or knowledge. When a crime of trafficking in persons is committed against a minor, it qualifies as qualified trafficking, which carries a heavier penalty.

Anti-Violence Against Women and Their Children Act

80
Psychological abuse under RA 9262 must be clearly linked to specific acts, and committed with intent to inflict emotional harm.

Roman and Lucia are married and living with their daughter. In May 2017, after a heated argument over household expenses, Roman ordered Lucia and their daughter to leave the family home. Lucia then filed a complaint for violation of the Anti-Violence Against Women and Their Children Act, alleging that Roman caused her psychological and emotional anguish and failed to provide adequate financial support. She submitted a psychological assessment diagnosing her with Major Depressive Disorder, citing a general pattern of abuse and neglect but without reference to any specific incident. **Should Roman be held guilty?**

Suggested Answer: No. Roman should not be held guilty.

In *XXX261920 v. People (G.R. No. 261920, 27 March 2023),* the Supreme Court ruled that psychological or emotional anguish under RA 9262 must be clearly linked to the specific acts complained of. Lucia's psychological report referred only to a general pattern of abuse but did not attribute her condition to the May 2017 incident. Moreover, there was no showing that Roman intentionally withheld financial support or ejected his family to inflict emotional harm. The incident arose from a dispute over household expenses, without showing any malicious intent. Hence, Roman must be acquitted.

Comprehensive Dangerous Drugs Act

81
Failure to justify deviations from required inventory procedures in drug cases breaks the chain of custody and renders the evidence inadmissible.

During a buy-bust operation, PO3 Ramirez arrested Leo Perez for selling suspected shabu in front of a convenience store. The officers brought Perez and the evidence to the city hall 2 kilometers away, where the inventory and photographs were taken. The officers' affidavits did not explain why they did not conduct the inventory at the scene. Perez moved to dismiss the case for failure to preserve the chain of custody. **Should the case be dismissed?**

Suggested Answer: Yes. The case should be dismissed.

In *People v. Almayda (G.R. No. 227706 [Resolution], 14 June 2023),* the Supreme Court ruled that in warrantless seizures of illegal drugs, the physical inventory and photographing of the seized item must generally be conducted at the place of arrest. Exceptions are allowed only when the officers provide a clear, practicable, and consistent justification, such as safety risks or impracticability, stated in their affidavits. Since the officers in Perez' case gave no such explanation, the chain of custody was broken, rendering the evidence inadmissible.

82
Strict compliance with the chain of custody rule is indispensable to preserve the integrity of seized drugs; unjustified lapses break the chain and warrant acquittal.

During a buy-bust operation, Henrick was apprehended for allegedly selling a sachet of shabu to a poseur-buyer. PO3 Gutierrez placed the seized item in his pocket. It was marked, inventoried, and photographed approximately 10 minutes later, when the media representative and Punong Barangay arrived at the scene of the arrest. The sachet was then submitted to the Regional Crime Laboratory Office for examination. Henrick was convicted based on the testimony of prosecution witnesses, which established the foregoing facts. **Was the conviction proper?**

Suggested Answer: No. The conviction was not proper.

In *People v. Garcia (G.R. No. 230983, 04 September 2019),* the Supreme Court stressed that strict compliance with the chain of custody rule is essential to preserve the integrity of seized drugs. Marking, inventory, and photographing must be done immediately after seizure and witnessed by the DOJ and media representatives, and an elected public official. Any deviation must be sufficiently justified. Here, the absence of a DOJ representative and the delayed marking without sufficient explanation broke the chain of custody. There is also no evidence on how the forensic chemist handled the specimen during examination and how the evidence custodian preserved it thereafter. Since the prosecution failed to establish the corpus delicti, Henrick should be acquitted.

Special Protection of Children Against Abuse, Exploitation, and Discrimination Act

83
Actions taken to restore order, without specific intent to debase, degrade, or demean a child's intrinsic worth, even though causing injuries, are not considered child abuse under RA 7610.

During lunch break, Mr. Santiago, a teacher, saw a male student forcibly grabbing a rice pop from a female classmate. The girl was crying and tightly holding her lunchbox. To stop the scuffle, Mr. Santiago used a broomstick to separate them and tapped the boy's legs. He also pushed another student who got in the way, causing the child to fall and suffer minor injuries. The students filed a complaint for child abuse under RA 7610. **Should Mr. Santiago be held guilty?**
Suggested Answer: No. Mr. Santiago should not be held guilty.

In *Javarez v. People (G.R. No. 248729, 03 September 2020),* the Supreme Court ruled that child abuse under RA 7610 requires a specific intent to debase, degrade, or demean a child's intrinsic worth. Here, Mr. Santiago's actions were taken solely to stop a scuffle and restore order, without any intent to humiliate or harm. Thus, he cannot be held liable for child abuse under the law.

REMEDIAL LAW, LEGAL AND JUDICIAL ETHICS

I. CIVIL PROCEDURE

Jurisdiction; Over the Parties

84
A judgment rendered without jurisdiction over an indispensable party is void and may be annulled to uphold due process.

Francis mortgaged a parcel of land to Josie, and the Deed was annotated on the title. Years after Josie died, her heirs found that Francis failed to pay the loan, but that the land had already been foreclosed and sold at public auction to Jaime. Further, the trial court cancelled the mortgage annotation in a case filed against Josie, who had then been dead for nearly nine years. Her heirs were not notified or included. **Was the trial court's decision valid?**

Suggested Answer: No. The trial court's decision is void for lack of jurisdiction and violation of due process.

In *Ortigas v. Court of Appeals (G.R. No. 260118, 12 February 2024),* the Supreme Court held that a court cannot acquire jurisdiction over a deceased person, and any judgment rendered without proper notice to the heirs is void and can be annulled.

Jurisdiction; Doctrine of adherence of jurisdiction

85
Exclusive jurisdiction lies with the tribunal first taking cognizance, even on ancillary issues like forum shopping.

Irene agreed to sell her Makati condo to Atty. Pineda for ₱4 million. After making a ₱1 million initial payment, Atty. Pineda decided to back out and demanded a refund of ₱800,000. He filed a petition for declaratory relief before the Manila RTC, with a prayer for injunction to access the property pending litigation, which the court denied. He then filed a notice of dismissal citing improper venue. Subsequently, he filed an action for specific performance before the Valenzuela RTC, seeking a similar injunctive relief, which the court granted. Irene raised the defense of forum shopping, but the Valenzuela court rejected it with finality. She later filed a disbarment case against Atty. Pineda before the IBP alleging violation of the rules of professional conduct for willful and deliberate forum shopping. **Which tribunal has jurisdiction over the issue of forum shopping?**

Suggested Answer: The Valenzuela RTC has exclusive jurisdiction.

In *Sierra v. Alejandro (A.C. No. 9162 [Resolution], 23 August 2023),* the Supreme Court reiterated that the tribunal taking cognizance of the main case shall exercise jurisdiction to the exclusion of others until the case's final termination. Such jurisdiction extends not only to the principal remedies but also to all incidents and ancillary matters, including the issue of forum shopping. Moreover, since the Valenzuela RTC had already ruled with finality that no forum shopping was committed, the IBP had no authority to preempt or reverse that determination.

86
A court with jurisdiction over the main case may resolve incidental issues necessary to enforce its judgment, even if jurisdiction over those issues lies with another court as an original action.

Jordan (aka Joanne) filed a petition under Rule 108 before the trial court of Baguio City, to correct the gender entry from male to female in her birth certificate registered there. During the proceedings, she discovered a second birth certificate with the same incorrect entry, registered in Tarlac City. The trial court corrected the first certificate and ordered the cancellation of the second. The Republic argued that the trial court of Baguio City lacked jurisdiction over the record in Tarlac City. **Was the Republic correct?**

Suggested Answer: No. The Republic was not correct.

In *Republic v. Felix (G.R. No. 203371, 30 June 2020),* the Supreme Court held that under the doctrine of ancillary jurisdiction, a court having authority over a main case may resolve incidental matters necessary to enforce its judgment. Here, since the trial court of Baguio City had jurisdiction over the correction of entries in the first birth certificate, it also had the authority to order the cancellation of the second conflicting record, even though the same was registered in Tarlac City.

Parties to Civil Actions; Indispensable Party

87
The absence of indispensable parties nullifies the court's judgment, even against those who were properly joined.

Martin Huang filed a complaint for annulment of subdivision plan, partition, and damages over land titled to his grandfather. He named only his cousins, Anna and Kelvin, as defendants, excluding their siblings, Bryan and Carol, who also claim an interest. The trial court declared the subdivision plan void and ordered partition between Martin, Anna, and Kelvin. **Was the trial court's decision valid?**

Suggested Answer: No. The trial court's decision was not valid.

In *Agcaoili v. Mata (G.R. No. 224414, 26 February 2020),* the Supreme Court ruled that the absence of indispensable parties renders the court's actions null and void, not only as to those absent but even as to those present. In partition cases, all co-heirs and interested parties are indispensable and must be joined. Since Bryan and Carol were not joined, the trial court lacked the authority to resolve the case. The case should be remanded for their inclusion and full adjudication.

Intervention

88
Intervention is discretionary, not a matter of right, and may only be allowed when the intervenor has a legal interest that cannot be adequately protected in a separate proceeding without causing delay or prejudice.

Pending issuance of a special patent in its favor, the National Reclamation Authority (NRA) leased part of a reclaimed land in Pasay to MetroPower Corporation for use as a substation. Later, the

DENR approved a survey plan over the same property without NRA's clearance and issued patents to private individuals, including Mia Rivera, who obtained an Original Certificate of Title. Rivera then filed an accion reivindicatoria against MetroPower. Meanwhile, the NRA, asserting ownership and possession, filed a reversion case to annul the patents and titles. It also moved to intervene in Rivera's case. **Should NRA's motion to intervene be granted?**

Suggested Answer: No. NRA's motion to intervene should not be granted.

In *Republic v. Rubin (G.R. No. 213960, 07 October 2020),* the Supreme Court held that intervention is not a matter of right but rests on the court's discretion. To justify intervention, the movant must show (a) legal interest in the matter in litigation, and (b) that such rights cannot be fully protected in a separate proceeding without delaying or prejudicing the original parties. Here, while the NRA had legal interest over the subject property, its rights were already protected in the reversion case. Thus, intervention was unnecessary and could result in conflicting rulings.

Summary Judgments

89
A summary judgment issued without motion, notice, and hearing is void for being procedurally infirm and violating due process.

Silvergate Realty sued Polaris Property Corp. for recovery of possession, alleging continued occupation after their agreement expired. Polaris admitted the allegations but countered that Silvergate had no right to eject them due to a third-party ownership dispute. Silvergate moved for judgment on the pleadings, which the court denied, noting the presence of an affirmative defense. Nonetheless, the court issued an omnibus resolution rendering summary judgment motu proprio in favor of Silvergate while other incidents remained unresolved. **Was the summary judgment proper?**

Suggested Answer: No. The summary judgment was not proper.

In *Central Realty and Development Corp. v. Solar Resources, Inc. (G.R. No. 229408, 09 November 2020),* the Supreme Court ruled that summary judgment requires a motion, notice, and hearing. Without these, it is void for being procedurally infirm and violating due process. The Court condemned the undue haste of resolving all pending matters in a single omnibus order. As in Central Realty, Polaris was deprived of its right to be heard, warranting nullification of the judgment.

Effect of Judgment or Final Orders

90
Judicial review of arbitral awards is limited to correcting evident miscalculations without altering the tribunal's substantive findings.

The National Gaming Authority (NGA) and NextWave Technologies (N-Tex) entered into a lease agreement for N-Tex to develop a betting app. Before completion, NGA unilaterally canceled the contract, citing N-Tex's non-compliance. The dispute went to arbitration, where N-Tex was awarded ₱27 million in liquidated damages. N-Tex asked the trial court to correct the award, claiming evident miscalculation of figures as ground for review under the Arbitration Law. The court

increased the award to ₱310 million after adding penalties. **Was the trial court correct in modifying the arbitral award?**

Suggested Answer: No. The trial court erred in modifying the arbitral award.

In *PCSO v. DFNN (G.R. Nos. 232801 and 234193, 21 July 2021),* the Supreme Court emphasized the finality and limited judicial review of arbitral awards. While courts may correct evident miscalculations, they should not alter substantive findings of arbitral tribunals. Here, the increase of the award to ₱310 million went beyond what is allowed.

91
COA has no power to review or alter final and executory judgments of courts or tribunals; to do so violates immutability of judgments.

Skybuild–Kenshin Joint Venture was contracted by the Department of Transportation to complete the San Miguel Bay Terminal Project. Due to unpaid billings and additional work, it filed a claim before the Construction Industry Arbitration Commission (CIAC) and was awarded ₱200 million. Both parties accepted the award and neither appealed. Before payment, the Department referred the matter to the Commission on Audit, which reduced the award to ₱90 million. Asserting its primary jurisdiction over money claims against government agencies, the Commission reviewed the evidence and found that Skybuild's other claims were not in accord with law and the rules. **Was the Commission on Audit's decision correct?**

Suggested Answer: No. The Commission's decision was not correct.

In *Taisei Shimizu Joint Venture v. Commission on Audit (G.R. No. 238671, 02 June 2020),* the Supreme Court ruled that while the Commission on Audit has audit jurisdiction over public funds, it has no appellate review power over the decisions of any other court or tribunal. Moreover, it cannot alter final and executory judgments or awards of such tribunals. Otherwise, the doctrine of immutability of judgments will be violated. Here, the Commission gravely abused its discretion in reducing CIAC's final and executory award.

Special Civil Actions; Declaratory Relief

92
Declaratory relief is not proper when the questioned regulation is already being enforced or when there is an actual violation of rights.

PhilMaritime Alliance, composed of various international carriers, filed a petition for declaratory relief before the Regional Trial Court, seeking to invalidate Revenue Regulation 15-2013 on the ground that it unconstitutionally expanded value-added tax coverage to services rendered outside the Philippines and exceeded the BIR's authority. Several members had already received assessments under the questioned regulation. **Is a petition for declaratory relief a proper remedy?**

Suggested Answer: No. A petition for declaratory relief is not a proper remedy.

In *Association of International Shipping Lines, Inc. v. Secretary of Finance (G.R. No. 222239, 15 January 2020),* the Supreme Court ruled that declaratory relief is not available when the questioned

regulation is already being enforced or when there is an actual violation of rights. Here, RR 15-2013 was already effective and implemented when the petition was filed. Thus, the proper remedy should have been a petition for certiorari or prohibition under Rule 65, not declaratory relief under Rule 63.

II. Criminal Procedure

Prosecution of Offenses; Who May Prosecute

93
Before the Austria ruling, private complainants could challenge acquittals without OSG consent.

In the rape case filed against Josh, he was acquitted. Karla, the private complainant, filed a petition for certiorari before the Court of Appeals (CA) without the OSG's conformity. The CA dismissed it in a resolution dated June 2020. When the case reached the Supreme Court, the OSG agreed with the dismissal, relying on Austria v. AAA and BBB, which ruled that private complainants cannot assail the criminal aspect without the OSG's conformity. The Austria ruling became final on March 24, 2023. **Was the dismissal of Karla's petition correct?**

Suggested Answer: No, the dismissal of Karla's petition was incorrect. The Austria ruling is not applicable.

The Supreme Court ruled that before the Austria ruling became final, a private complainant could file a petition for certiorari without the OSG's conformity if there was grave abuse of discretion or denial of due process. Since Karla's petition was filed before Austria became final, the CA erred in dismissing it. – *AAA261422 v. XXX261422, G.R. No. 261422, 13 November 2023*

Bail

94
Bail in capital offenses is not a matter of right and may be denied when strong evidence of guilt is shown through credible confessions and corroborating proof.

Victor Yulo was charged with murder for allegedly masterminding the killing of racecar driver Enzo Rivera. The prosecution presented an extrajudicial confession from PO2 Edgar Santos, who admitted to the killing and implicated Victor. A hired gun also testified that Victor and Enzo's wife tried to recruit him for the same crime. Victor applied for bail, but the court denied it. Victor argued that bail is a matter of right under the Constitution. **Is the denial of bail proper?**

Suggested Answer: Yes. The denial of bail is proper.

In *De Guzman III v. People (G.R. Nos. 255100, 255229 & 255503, 26 February 2024),* the Supreme Court ruled that bail is not a matter of right in a capital offense like murder, and it may be denied if strong evidence of guilt is shown. The Court upheld the denial of bail based on an extrajudicial confession and corroborating evidence. Similarly, in Victor's case, the confession and supporting testimony establish strong evidence of Victor's guilt, justifying the trial court's denial of bail.

Rights of the Accused

95
An accused cannot be convicted of an offense different from what is charged in the Information, as this violates the constitutional right to be informed of the accusation.

PO1 Dela Peña was charged with Conniving with or Consenting to Evasion under Article 223 of the Revised Penal Code after a detainee escaped during hospital confinement. The Information alleged he "willfully, unlawfully, and with grave abuse and infidelity, caused the escape" by leaving his post for hours, which gave the detainee the chance to flee. He was convicted of Evasion through Negligence under Article 224. **Was the conviction proper?**
Suggested Answer: No. The conviction was not proper.

In *Pineda v. People (G.R. No. 228232, 27 March 2023),* the Supreme Court ruled that an accused has the constitutional right to be informed of the nature and cause of the accusation, which requires that the Information fully allege all essential elements of the crime charged. In this case, while the Information was captioned under Article 223, it failed to allege connivance or consent, an essential element of that crime, and did not allege negligence, which is central to a charge under Article 224. Moreover, Articles 223 and 224 define distinct offenses; one does not necessarily include the other. Convicting the accused of a different crime than that charged violates due process. Thus, PO1 Dela Peña should be acquitted.

III. EVIDENCE

Testimonial Evidence; Hearsay Rule

96
A voluntary and factual confession, even if relayed by another, is admissible as an exception to the hearsay rule.

During a drinking session, Lance confessed to his friend Marco that he stabbed their neighbor, Xander, during a robbery attempt. At trial, Marco testified about what Lance told him. Lance objected, arguing that Marco's testimony was hearsay. **Is Marco's testimony admissible in evidence?**

Suggested Answer: Yes. The statement is admissible as an admission against interest.

In *People v. Catacutan (G.R. No. 260731, 13 February 2023),* the Supreme Court ruled that a person's voluntary, categorical, and factual statement admitting to the commission of a crime is admissible as an admission against interest, even if testified to by someone else. The Court clarified that this is an exception to the hearsay rule because the declarant is a party to the case, and people do not ordinarily make statements against their own interest unless true. Like in Catacutan, Lance's detailed confession to Marco, made voluntarily, involving factual matters, and adverse to Lance's legal interest, is admissible in court.

97
A child's hearsay statement may be admitted if made spontaneously to a trusted adult and bears sufficient indicia of reliability.

Nine-year-old Bea told her mother that she was sexually abused by her uncle, Marco. The disclosure was made spontaneously and tearfully just minutes after the incident, and the mother testified that Bea had no history of fabricating stories. During the trial, Bea became too traumatized to testify. The prosecution offered the mother's testimony. Marco objected, claiming it was inadmissible hearsay. **Is the mother's testimony admissible?**

Suggested Answer: Yes. The mother's testimony is admissible.

In *People v. BBB (G.R. No. 252507, 18 April 2022),* the Supreme Court ruled that under the rules on child witness testimony, hearsay statements made by a child may be admissible if there are sufficient guarantees of trustworthiness, such as spontaneity, consistency, and the child's relationship to the listener. The Court emphasized that protecting child victims includes allowing trusted adults to recount the child's disclosure when the child is unable to testify. This does not violate the rights of the accused. Here, Bea's disclosure to her mother was made spontaneously and immediately after the incident. Her mother's testimony is therefore admissible.

IV. JUDICIAL ETHICS

98

A judge's ownership of an insurance business, even if inherited and not actively managed, constitutes a violation of Administrative Circular No. 5, underscoring the strict prohibition against judiciary officials engaging in private business activities.

Judge Villa owned an insurance business while serving on the bench. He claimed he inherited it and did not manage its operations. He further disclosed it in his Statement of Assets Liabilities and Net Worth or SALN. **Should Judge Villa be held administratively liable under Administrative Circular No. 5, which bars judges from engaging in insurance or similar businesses?**

Suggested Answer: Yes. Judge Villa should be held administratively liable.

In *Intia v. Ferrer (A.M. No. RTJ-24-064, 13 May 2024),* the Supreme Court held that judges are prohibited from engaging in private businesses, including owning an insurance agency, under Administrative Circular No. 5. Even passive ownership constitutes a violation. Judge Ferrer was found guilty of simple misconduct and imposed the minimum fine of ₱35,000. The Court noted that he did not intend to bypass the rule.

99

Courts presume lawyers act with authority for their clients. Any dispute over settlement must be raised through judicial remedies, not administrative action against the judge.

In a pre-execution conference, Judge De Vera approved a compromise agreement between Noel and Clarisse. Although Clarisse was absent, her lawyer, Atty. Castillo, accepted Noel's offer to pay ₱500,000 to settle the debt. Clarisse later protested, claiming she didn't authorize her lawyer to settle the case without considering the interest due. She also filed an administrative complaint against Judge De Vera for misconduct and ignorance of the law. **Should Judge De Vera be held liable?**

Suggested Answer: No. Judge De Vera should not be held liable.

In *Caringal v. Sy (A.M. No. MTJ-23-019, 27 February 2024),* the Supreme Court ruled that lawyers are presumed authorized to act on behalf of their clients unless proven otherwise. If a client disagrees with a settlement, the remedy is through proper judicial channels, like a motion for reconsideration or certiorari, not an administrative complaint against the judge.

100
The withdrawal of a complaint does not bar the Supreme Court from disciplining court personnel for misconduct.

Sheriff Mateo Alcaraz of RTC of Manila, Branch 174, received ₱50,000 from a litigant's representative for safekeeping during execution proceedings. He later admitted to using the funds for personal needs during the COVID-19 lockdown. The complainant eventually filed an affidavit of desistance. Despite this, the court imposed disciplinary sanctions. **Can Sheriff Alcaraz be held administratively liable even if the complainant withdraws the complaint?**

Suggested Answer: Yes. Sheriff Alcaraz can still be held administratively liable.

In *Mabanag v. Ramos (A.M. No. P-23-111, 23 January 2024),* the Supreme Court ruled that the withdrawal of a complaint does not divest the Court of its disciplinary authority over court personnel. The Court emphasized that administrative proceedings are instituted to maintain the integrity of the judiciary and are not dependent on the complainant's interest. Thus, even with an affidavit of desistance, the Court proceeded to impose sanctions on Sheriff Ramos for misconduct. Similarly, Sheriff Alcaraz can still be held administratively liable.

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