



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

N O T I C E

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated July 18, 2022 which reads as follows:

“G.R. No. 232706 — (MA. ELSA ABELLO AND THE HEIRS OF MANUEL G. ABELLO, *petitioners v. BANCO FILIPINO SAVINGS AND MORTGAGE BANK, represented by the Philippine Deposit Insurance Corporation, respondent*). — Article 13 of the Civil Code and the doctrine in *National Marketing Corporation v. Tecson*,¹ which considers the extra days in the leap years in computing the 10-year prescriptive period for the revival of judgment, applies in this case. Accordingly, Banco Filipino Savings and Mortgage Bank’s petition for revival of judgment is time-barred.

This Court resolves a Petition² filed by Ma. Elsa Abello (Elsa) and the Heirs of late Manuel G. Abello (the Heirs of Abello) assailing the Decision³ and Resolution⁴ of the Court of Appeals, which, in turn, affirmed the Decision⁵ of the Regional Trial Court granting Banco Filipino Savings and Mortgage Bank’s (Banco Filipino) Petition for Revival of Judgment.

Banco Filipino filed a collection suit against Spouses Manuel and Ma. Elsa Abello (the Abello Spouses) before the Regional Trial Court of Makati City, which, in due course, rendered a Decision⁶ dated May 17, 1996 (May 17, 1996 Decision) in favor of Banco Filipino.⁷ The dispositive portion of the May 17, 1996 Decision reads:

IN VIEW OF THE FOREGOING, judgment is hereby rendered

¹ 139 Phil. 584 (1969) [Per J. Concepcion, En Banc].

² *Rollo*, pp. 11–24.

³ Id. at 34–44. The September 30, 2016 Decision in CA-G.R. CV No. 103125 was penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Ramon M. Bato, Jr., and Manuel M. Barrios of the Twelfth Division of the Court of Appeals, Manila.

⁴ Id. at 46–50. The July 4, 2017 Resolution in CA-G.R. CV No. 103125 was penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Ramon M. Bato, Jr., and Manuel M. Barrios of the Former Twelfth Division of the Court of Appeals, Manila.

⁵ Id. at 165–168. The March 27, 2014 Decision in Civil Case No. 11-950 was penned by Presiding Judge Eugene C. Paras of the Regional Trial Court of Makati City, Branch 58.

⁶ Id. at 35. The May 17, 1996 Decision in Civil Case No. 93-2273 was penned by Presiding Judge Erna Falloran Aliposa of the Regional Trial Court of Makati, Branch 150.

⁷ Id.

ordering the defendant Spouses to pay plaintiff the following:

1. The sum of Php3,482,043.92, the total amount due as of October 18, 1995, plus the interest and surcharges from said date until fully paid.
2. The amount of Php30,000.00, as and for attorney's fees.
3. Cost of suit.

SO ORDERED.⁸

On appeal, the Court of Appeals affirmed with modification the May 17, 1996 Decision of the Regional Trial Court. The award of ₱30,000.00 for attorney's fees and the cost of suit were deleted.⁹

The Abello Spouses then filed a petition for review and subsequent motion for reconsideration before this Court, but these were denied in Resolutions dated August 29, 2001¹⁰ and September 17, 2001, respectively, which became final and executory on September 27, 2001.¹¹

On October 22, 2002, Manuel Abello died and was substituted by his Heirs.¹²

On March 17, 2011, the Monetary Board of Bangko Sentral ng Pilipinas ordered the closure of Banco Filipino, and the latter was placed under receivership of the Philippine Deposit Insurance Corporation.¹³

On September 28, 2011, the Philippine Deposit Insurance Corporation filed a Petition for Revival of Judgment with the Regional Trial Court of Makati City, praying for the revival of the May 17, 1996 Decision. The Petition was raffled to Branch 58.¹⁴

In their Answer, Elsa and the Heirs of Abello argued that: (1) the action to revive the May 17, 1996 Decision has prescribed; (2) the petition is barred by laches; and (3) the petition fails to state a cause of action.¹⁵

In its March 27, 2014 Decision,¹⁶ the Regional Trial Court ordered the revival of the May 17, 1996 Decision.

⁸ Id.

⁹ Id. at 36.

¹⁰ Id.

¹¹ Id. at 36–37.

¹² Id. at 37.

¹³ Id.

¹⁴ Id.

¹⁵ Id.

¹⁶ Id. at 165–168.

Elsa and the Heirs of Abello moved for reconsideration but were denied in an Order dated May 12, 2014.

On appeal, the Court of Appeals upheld the Regional Trial Court's Decision,¹⁷ which reads:

WHEREFORE, the instant appeal is DISMISSED. The Decision dated March 27, 2014 of Branch 58, Regional Trial Court of Makati City in Civil Case No. 11-950 which caused the revival of the Decision dated May 17, 1996 in Civil Case No. 93-2273 of Branch 150, Regional Trial Court of Makati City, which became final and executory on September 27, 2001 per Supreme Court's Book of Entries of Judgment, is hereby AFFIRMED.

SO ORDERED.¹⁸

The Court of Appeals also denied Elsa and the Heirs of Abello's motion for reconsideration.¹⁹

Hence, this petition²⁰ was filed. Respondent filed a Comment,²¹ to which petitioners filed a Reply.²²

Petitioners submit that respondent, represented by the Philippine Deposit Insurance Corporation, filed its petition for revival of judgment beyond the 10-year prescriptive period under Article 1144(3) of the Civil Code.²³ Invoking the Court's ruling in *National Marketing Corporation v. Tecson*,²⁴ petitioners contend that the extra day in the leap years should be considered in determining the 10-year period.²⁵ Thus, adding the two extra days of leap years 2004 and 2008, the 10-year period ended on September 25, 2011, a Sunday.²⁶ Because the due date fell on a Sunday, the petition for revival of judgment should have been filed on the next working day or on September 26, 2011.²⁷ Thus, petitioners contend that the petition for revival of judgment filed only on September 28, 2011 was already two days late.²⁸

Petitioners further contend that even assuming that respondent's petition was filed within the 10-year period, the Court of Appeals and the

¹⁷ Id. at 43.

¹⁸ Id.

¹⁹ Id. at 50.

²⁰ Id. at 11–24.

²¹ Id. at 329–348.

²² Id. at 465–468.

²³ Id. at 15.

²⁴ 139 Phil. 584 (1969) [Per J. Concepcion, En Banc].

²⁵ *Rollo*, p. 15.

²⁶ Id. at 17.

²⁷ Id.

²⁸ Id.

Regional Trial Court should have dismissed the same on the ground of laches due to respondent's prolonged inaction to assert its right to enforce the 1996 Decision.²⁹

Respondent countered that in *Commissioner of Internal Revenue v. Primetown Property Group, Inc.*,³⁰ this Court explained that when the law speaks of a year, it connotes twelve calendar months, regardless of the number of days, pursuant to Section 31, Chapter VIII, Book I of Executive Order No. 292 or the Administrative Code of 1987.³¹ Accordingly, the 10th year or 120th calendar month, counting from September 27, 2001, fell on September 27, 2011. Since all offices were closed on September 27, 2011, due to the typhoon "Pedring," the Petition for Revival of Judgment was timely filed on September 28, 2011.³²

Even assuming the Petition for Revival of Judgment was three days late, respondent proposes a liberal application of the statute of limitations in the interest of justice.³³ Finally, respondent contends *laches* cannot apply where the claim was filed within the prescriptive period set forth under the law.³⁴

The sole issue for this Court's resolution is whether or not the petition to revive the May 17, 1996 Decision is barred by prescription.

The petition is granted.

I

Article 13 of the Civil Code provides that "when the law speaks of years . . . it shall be understood that years are of three hundred sixty-five days each." Accordingly, for purposes of determining prescription for the revival of judgment, ten years means 3,650 days.

The pivotal issue of whether the extra day in a leap year should be counted in computing the period of prescription had already been answered in the 1969 case of *National Marketing Corporation v. Tecson*.³⁵ In that case, similarly involving the timeliness of a petition for revival of judgment, the point of controversy was the date on which 10 years from December 21, 1955 (the date of finality of the judgment sought to be revived) expired.

²⁹ Id. at 21.

³⁰ 558 Phil. 182 (2007) [Per J. Corona, First Division].

³¹ Id. at 336–338.

³² Id. at 338.

³³ Id. at 344.

³⁴ Id. at 346.

³⁵ 139 Phil. 584 (1969) [Per J. Concepcion, En Banc].

This Court in *National Marketing Corporation*, accepted the respondent's view that since 1960 and 1964 were both leap years and the month of February in both had 29 days, 10 years – of 365 days each or an aggregate of 3,650 days – from December 21, 1955, expired on December 19, 1965; consequently, the action to revive judgment filed exactly on December 21, 1965, was held to be two days late. This Court explained the rationale for its holding thus:

The very conclusion thus reached by appellant shows that its theory contravenes the explicit provision of Art. 13 of the Civil Code of the Philippine, limiting the connotation of each "year" — as the term is used in our laws — to 365 days. Indeed, *prior* to the approval of the Civil Code of Spain, the Supreme Court thereof had held, on March 30, 1887, that, when the law spoke of months, it meant a "natural" month or "solar" month, *in the absence of express provision to the contrary*. Such provision was incorporated into the Civil Code of Spain, subsequently promulgated. Hence, the same Supreme Court declared that, pursuant to Art. 7 of said Code, "whenever months . . . are referred to in the law, it shall be understood that the months, are of 30 days", *not* the "natural", "solar" or "calendar" months, unless they are "designated by name," in which case "they shall be computed by the actual number of days they have." This concept was, later, *modified* in the Philippines, by Section 13 of the Revised Administrative Code, pursuant to which, "month shall be understood to refer to a calendar month." In the language of this Court, in People vs. Del Rosario, "with the approval of the Civil Code of the Philippines (Republic Act 386) . . . we have *reverted* to the provisions of the Spanish Civil Code in accordance with which a month is to be considered as the regular *30-day month* . . . and *not* the *solar or civil month*," with the particularity that, whereas the Spanish Code merely mentioned "months, days or nights," ours has added thereto the term "years" and explicitly ordains that "it shall be understood that years are of three hundred sixty-five days."³⁶ (Emphasis in the original and citations omitted)

Applying Article 13 of the Civil Code and the ruling in *National Marketing Corporation*, we compute the 10-year period of prescription from September 27, 2011, the date of finality of the 1996 Decision, as follows:

September 28, 2001 – December 31, 2001	95 days
January 1, 2001 – December 31, 2002	365 days
January 1, 2003 – December 31, 2003	365 days
January 1, 2004 – December 31, 2004	366 days
January 1, 2005 – December 31, 2005	365 days
January 1, 2006 – December 31, 2006	365 days
January 1, 2007 – December 31, 2007	365 days
January 1, 2008 – December 31, 2008	366 days
January 1, 2009 – December 31, 2009	365 days
January 1, 2010 – December 31, 2010	365 days
January 1, 2011 – September 25, 2011	<u>268 days</u>
	3,650 days

³⁶ Id. at 588–589.

Thus, 10 years or 3,650 days from September 27, 2001, expired on September 25, 2011. Since September 25, 2011, fell on a Sunday, the petition for revival of judgment should have been filed on the next working day or on September 26, 2011.³⁷ Consequently, the Petition for Revival of Judgment filed only on September 28, 2011, was already time-barred.

II

The ruling in *Commissioner of Internal Revenue v. Primetown Property Group, Inc.*³⁸ is not controlling in this case.

The issue in *Primetown* was the computation of the two-year prescriptive period within which to file a judicial claim for tax refund or credit under the National Internal Revenue Code. This Court held that there was a manifest incompatibility with regard to the manner of computing legal periods under Article 13 of the Civil Code and Section 31, Chapter VIII, Book I of Executive Order No. 292 or the Administrative Code of 1987. Under the Civil Code, a year is equivalent to 365 days, while under the Administrative Code, a year is composed of 12 calendar months, with the number of days being irrelevant. To address this incompatibility, this Court held that Section 31, Chapter VIII, Book I of the Administrative Code, the more recent law, governs the computation of legal periods.³⁹

In this regard, there is a need to clarify the ruling in *Primetown*, particularly to stress that Section 31 of the Administrative Code did not constitute an implied repeal of Article 13 of the Civil Code.

This Court has explained in detail the rule of repeals by implication and its two categories, as follows:

Repeal by implication proceeds on the premise that where a statute of later date clearly reveals an intention on the part of the legislature to abrogate a prior act on the subject, that intention must be given effect. Hence, before there can be a repeal, there must be a clear showing on the part of the lawmaker that the intent in enacting the new law was to abrogate the old one. *The intention to repeal must be clear and manifest*; otherwise, at least, as a general rule, the later act is to be construed as a continuation

³⁷ RULES OF COURT, rule 22, sec. 1 provides:

SECTION 1. *How to compute time.* – In computing any period of time prescribed or allowed by these Rules, or by order of the court, or by any applicable statute, the day of the act or event from which the designated period of time begins to run is to be excluded and the date of performance included. If the last day of the period, as thus computed, falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day.

³⁸ 558 Phil. 182 (2007) [Per J. Corona, First Division].

³⁹ Id. at 190–191.

of, and not a substitute for, the first act and will continue so far as the two acts are the same from the time of the first enactment.

There are two categories of repeal by implication. The first is where provisions in the two acts on the same subject matter are in an irreconcilable conflict, the later act to the extent of the conflict constitutes an implied repeal of the earlier one. The second is if the later act covers the whole subject of the earlier one and is clearly intended as a substitute, it will operate to repeal the earlier law.

Implied repeal by irreconcilable inconsistency takes place when the two statutes cover the same subject matter; they are so clearly inconsistent and incompatible with each other that they cannot be reconciled or harmonized; and both cannot be given effect, that is, that one law cannot be enforced without nullifying the other.⁴⁰ (Emphasis supplied and citations omitted)

Repeals, by implication, are not favored unless it is manifest that the legislature so intended,⁴¹ and the rule is that laws must be harmonized and reconciled as much as possible so that each provision of law will be effective.⁴²

Article 13 of the Civil Code and Section 31 of the Administrative Code of 1987 are not entirely repugnant or irreconcilable, such that one cannot be enforced without nullifying the other.

The two provisions are cited here again for easier reference:

ARTICLE 13. When the laws speak of years, months, days or nights, it shall be understood that years are of three hundred sixty-five days each; months, of thirty days; days, of twenty-four hours; and nights from sunset to sunrise.

If months are designated by their name, they shall be computed by the number of days in which they respectively have.

In computing a period, the first day shall be excluded, and the last day included.

SECTION 31. *Legal Periods.* — “Year” shall be understood to be twelve calendar months; “month” of thirty days, unless it refers to a specific calendar month in which case it shall be computed according to the number of days the specific month contains; “day,” to a day of twenty-four hours; and “night,” from sunset to sunrise.

A perusal of the two provisions shows that Article 13 of the Civil Code is a general provision, which states the general rule that “when the laws speak

⁴⁰ *Mecano v. Commission on Audit*, 290-A Phil. 272–284 (1992) [Per J. Campos, Jr., En Banc].

⁴¹ *Almeda v. Florentino*, 122 Phil. 912 (1965) [Per J. Reyes, En Banc].

⁴² *Vinzons-Chato v. Fortune Tobacco Corp.*, 552 Phil. 101 (2007) [Per J. Ynares-Santiago, Third Division]; *Valera v. Tuason, Jr.*, 80 Phil. 823 (1948) [Per J. Tuason, Second Division].

of years, . . . it [is to] be understood [as] 365 days. . ." On the other hand, Section 31 of the Administrative Code is an exception to the general rule because it provides its own definition of legal periods.

The scope and object of the Administrative Code of 1987 can be gleaned from the preamble thereof, which states in part:

....

WHEREAS, the effectiveness of the Government will be enhanced by a new Administrative Code which incorporates in a unified document the *major structural, functional and procedural principles and rules of governance*; and

WHEREAS, a new Administrative Code will be of optimum benefit to the people and Government officers and employees as it embodies *changes in administrative structures and procedures designed to serve the people[.]* (Emphasis supplied)

The Administrative Code of 1987 covers the administration, organization, and procedures of the Government and its various agencies. Book VII of the Administrative Code generally prescribes the administrative procedures, which include provisions for the adjudication and appeal of administrative cases.

Accordingly, Section 31 of the Administrative Code applies in particular to periods embraced within the Administrative Code, including prescription of proceedings or appeals in administrative cases.

"Where there are two statutes that apply to a particular case, that which was specially designed for the said case must prevail over the other."⁴³

In *Vinzons-Chato v. Fortune Tobacco Corp.*,⁴⁴ this Court held that Article 32 of the Civil Code, not Section 38 of Book I of the Administrative Code, governed in the case for recovery of damages filed against a public officer for violation of constitutional rights. While Section 38 of the Administrative Code is the general law on the civil liability of public officers, Article 32 of the Civil Code deals specifically with the liability of a public officer for impairment of rights and liberties. It explained:

.... Sections 38 and 39, Book I of the Administrative Code, laid down the rule on the civil liability of superior and subordinate public officers for acts done in the performance of their duties. For both superior and subordinate public officers, the presence of bad faith, malice, and

⁴³ *Lapid v. Court of Appeals*, 390 Phil. 236,251 (2000) [Per J. Gonzaga-Reyes, Third Division].

⁴⁴ 552 Phil. 101 (2007) [Per J. Ynares-Santiago, Third Division].

negligence are vital elements that will make them liable for damages. Note that while said provisions deal in particular with the liability of government officials, the subject thereof is general, *i.e.*, “*acts*” done in the performance of official duties, without specifying the action or omission that may give rise to a civil suit against the official concerned.

Contrarily, Article 32 of the Civil Code specifies in clear and unequivocal terms a particular specie of an “act” that may give rise to an action for damages against a public officer, and that is, a tort for impairment of rights and liberties. Indeed, Article 32 is the special provision that deals specifically with violation of constitutional rights by public officers. All other actionable acts of public officers are governed by Sections 38 and 39 of the Administrative Code. While the Civil Code, specifically, the Chapter on Human Relations is a general law, Article 32 of the same Chapter is a special and specific provision that holds a public officer liable for and allows redress from a particular class of wrongful acts that may be committed by public officers. Compared thus with Section 38 of the Administrative Code, which broadly deals with civil liability arising from errors in the performance of duties, Article 32 of the Civil Code is the specific provision which must be applied in the instant case precisely filed to seek damages for violation of constitutional rights.⁴⁵ (Emphasis in the original)

In *Bagatsing v. Ramirez*,⁴⁶ the main question was what law governed the publication of a tax ordinance enacted by the Municipal Board of Manila – the Revised City Charter or the Republic Act No. 409, as amended, which requires publication of the ordinance before its enactment and after its approval, the Presidential Decree No. 231 or the Local Tax Code, which only demands publication after approval. This Court held that the Local Tax Code, while a general law applying to all local government units, refers specifically to tax ordinances and therefore prevails over the Revised City Charter.

. . . Section 17 of the Revised Charter of the City of Manila speaks of “ordinance” in general, *i.e.*, irrespective of the nature and scope thereof, whereas, Section 43 of the Local Tax Code relates to “ordinances levying or imposing taxes, fees or other charges” in particular. In regard, therefore, to ordinances in general, the Revised Charter of the City of Manila is doubtless dominant, but, that dominant force loses its continuity when it approaches the realm of “ordinances levying or imposing taxes, fees or other charges” in particular. There, the Local Tax Code controls. Here, as always, a general provision must give way to a particular provision. Special provision governs.⁴⁷ (Emphasis in the original and citations omitted)

Section 31 of the Administrative Code, being a specific provision pertaining to administrative cases, is an exception to Article 13 of the Civil Code, which “has been intended for general application in the interpretation of the laws.”⁴⁸

⁴⁵ Id. at 116–117.

⁴⁶ 165 Phil. 909 (1976) [Per J. Martin, En Banc].

⁴⁷ Id. at 914.

⁴⁸ *People v. Del Rosario*, 97 Phil. 67, 71 (1955) [Per J. Labrador, First Division].

At any rate, this case involves the prescription of actions, which is principally governed by Title V, Book III of the Civil Code, and the determination of legal periods under Article 13 of the Civil Code.

III

There are two types of prescription under the Civil Code.⁴⁹ The first type is acquisitive prescription or the acquisition of a right by the lapse of time.⁵⁰ And the other is extinctive prescription, whereby rights and actions are lost by the lapse of time.⁵¹ This second type is also called a “limitation of action.”⁵²

This case involves extinctive prescription, the rationale behind which was explained by the Court in *Antonio, Jr. v. Morales*,⁵³ thus:

In the early case of *US v. Serapio*, this Court held that under the Civil Code, the prescription of an action refers to the time within which an action must be brought after the right of action has accrued. The prescriptive statutes serve to protect those who are diligent and vigilant, not those who sleep on their rights. The rationale behind the prescription of actions is to prevent fraudulent and stale claims from springing up at great distances of time, thus surprising the parties or their representatives when the facts have become obscure from the lapse of time or the defective memory or death or removal of the witnesses. Prescription applies even to the most meritorious claims.⁵⁴ (Citations omitted)

Respondent's contention for a liberal approach is untenable. It did nothing within the 10 years given by law to enforce the judgment in its favor. The statute of limitations was devised to operate against those who slept on their rights.⁵⁵ Article 1139 of the Civil Code states that “actions prescribe by the mere lapse of time fixed by law.” Respondent's petition for revival of judgment brought 10 years and three days after the finality of the May 17, 1996 Decision had already prescribed under the Civil Code. Thus, the Court of Appeals erred in affirming the revival of the May 17, 1996 Decision.

⁴⁹ *Caltex (Philippines), Inc. v. Singzon Aguirre*, 783 Phil. 46 (2016) [Per J. Reyes, Third Division].

⁵⁰ Republic Act No. 386, art. 1106 provides:

ARTICLE 1106. By prescription, one acquires ownership and other real rights through the lapse of time in the manner and under the conditions laid down by law[.]

⁵¹ Republic Act No. 386, art. 1106 and art. 1139 provides:

ARTICLE 1106.

....

In the same way, rights and actions are lost by prescription.

ARTICLE 1139. Actions prescribe by the mere lapse of time fixed by law.

⁵² *Caltex (Philippines), Inc. v. Singzon Aguirre*, 783 Phil. 46 (2016) [Per J. Reyes, Third Division].

⁵³ 541 Phil. 306 (2007) [Per J. Sandoval-Gutierrez, First Division].

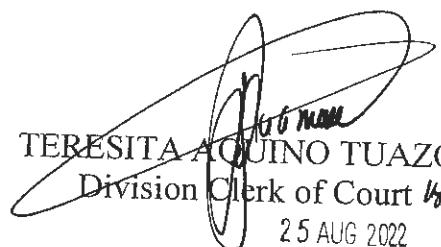
⁵⁴ Id. at 310.

⁵⁵ *Coderias v. Estate of Chioco*, 712 Phil. 354 (2013) [Per J. Del Castillo, Second Division].

FOR THESE REASONS, the Petition is **GRANTED**. The September 30, 2016 Decision and July 4, 2017 Resolution of the Court of Appeals are **REVERSED AND SET ASIDE**. The Petition for Revival of Judgment dated September 26, 2011 is **DISMISSED**.

SO ORDERED."

By authority of the Court:



TERESITA AQUINO TUAZON
Division Clerk of Court *48/25*
25 AUG 2022

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