



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

WILFREDO ANGLO,
Complainant,

A.C. No. 10567

- versus -

Present:

ATTY. JOSE MA. V.
VALENCIA, ATTY. JOSE MA.
J. CIOCON, ATTY. PHILIP Z.
DABAO, ATTY. LILY UY-
VALENCIA, ATTY. JOEY P.
DE LA PAZ, ATTY. CRIS G.
DIONELA, ATTY.
RAYMUNDO T. PANDAN, JR.,
ATTY. RODNEY K. RUBICA,
and ATTY. WILFRED RAMON
M. PEÑALOSA,

SERENO, C.J., Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
PEREZ, and
PERLAS-BERNABE, JJ.

Promulgated:

FEB 25 2015

Respondents.

X-----X

DECISION

PERLAS-BERNABE, J.:

This is an administrative case stemming from a complaint-affidavit¹ dated December 4, 2009 filed by complainant Wilfredo Anglo (complainant) charging respondents Attys. Jose Ma. V. Valencia (Atty. Valencia), Jose Ma. J. Ciocon (Atty. Ciocon), Philip Z. Dabao (Atty. Dabao), Lily Uy-Valencia (Atty. Uy-Valencia), Joey P. De La Paz (Atty. De La Paz), Cris G. Dionela (Atty. Dionela), Raymundo T. Pandan, Jr. (Atty. Pandan, Jr.), Rodney K. Rubica (Atty. Rubica), and Wilfred Ramon M. Peñalosa (Atty. Peñalosa; collectively, respondents) of violating the Code of Professional Responsibility (CPR), specifically the rule against conflict of interest.

* "Raymund T. Pandan, Jr." in some parts of the records.

** "Rubrica" in some parts of the records.

¹ Rollo, Vol. 1, pp. 1-9.

The Facts

In his complaint-affidavit, complainant alleged that he availed the services of the law firm *Valencia Ciocon Dabao Valencia De La Paz Dionela Pandan Rubica Law Office* (law firm), of which Attys. Valencia, Ciocon, Dabao, Uy-Valencia, De La Paz, Dionela, Pandan, Jr., and Rubica were partners, for two (2) consolidated labor cases² where he was impleaded as respondent. Atty. Dionela, a partner of the law firm, was assigned to represent complainant. The labor cases were terminated on June 5, 2008 upon the agreement of both parties.³

On September 18, 2009, a criminal case⁴ for qualified theft was filed against complainant and his wife by FEVE Farms Agricultural Corporation (FEVE Farms) acting through a certain Michael Villacorta (Villacorta). Villacorta, however, was represented by the law firm, the same law office which handled complainant's labor cases. Aggrieved, complainant filed this disbarment case against respondents, alleging that they violated Rule 15.03, Canon 15 and Canon 21 of the CPR,⁵ to wit:

CANON 15 – A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

x x x x

RULE 15.03 – A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

x x x x

CANON 21 – A LAWYER SHALL PRESERVE THE CONFIDENCES AND SECRETS OF HIS CLIENT EVEN AFTER THE ATTORNEY-CLIENT RELATION IS TERMINATED.

In their defense,⁶ respondents admitted that they indeed operated under the name *Valencia Ciocon Dabao Valencia De La Paz Dionela Pandan Rubica Law Office*, but explained that their association is not a formal partnership, but one that is subject to certain “arrangements.” According to them, each lawyer contributes a fixed amount every month for the maintenance of the entire office; and expenses for cases, such as transportation, copying, printing, mailing, and the like are shouldered by each lawyer separately, allowing each lawyer to fix and receive his own professional fees exclusively.⁷ As such, the lawyers do not discuss their clientele with the other lawyers and associates, unless they agree that a case be handled collaboratively. Respondents claim that this has been the practice

² Docketed as RAB Case No. 06-05-10385-03 and RAB Case No. 06-04-10302-03; id. at 1.

³ See id. at 1-2.

⁴ Docketed as Case No. VI-14-INV-091-00398; id. at 2.

⁵ Id. at 1.

⁶ See Position Paper for the Respondents dated August 2, 2010; id. at 128-138.

⁷ See id. at 128-129.

of the law firm since its inception. They averred that complainant's labor cases were solely and exclusively handled by Atty. Dionela and not by the entire law firm. Moreover, respondents asserted that the qualified theft case filed by FEVE Farms was handled by Atty. Peñalosa, a new associate who had no knowledge of complainant's labor cases, as he started working for the firm after the termination thereof.⁸

Meanwhile, Atty. Dionela confirmed that he indeed handled complainant's labor cases but averred that it was terminated on June 13, 2008,⁹ and that complainant did not have any monthly retainer contract.¹⁰ He likewise explained that he did not see the need to discuss complainant's labor cases with the other lawyers as the issue involved was very simple,¹¹ and that the latter did not confide any secret during the time the labor cases were pending that would have been used in the criminal case with FEVE Farms. He also claimed that the other lawyers were not aware of the details of complainant's labor cases nor did they know that he was the handling counsel for complainant even after the said cases were closed and terminated.¹²

The IBP's Report and Recommendation

In a Report and Recommendation¹³ dated September 26, 2011, the IBP Commissioner found respondents to have violated the rule on conflict of interest and recommended that they be *reprimanded* therefor, with the exception of Atty. Dabao, who had died on January 17, 2010.¹⁴

The IBP found that complainant was indeed represented in the labor cases by the respondents acting together as a law firm and not solely by Atty. Dionela. Consequently, there was a conflict of interest in this case, as respondents, through Atty. Peñalosa, having been retained by FEVE Farms, created a connection that would injure complainant in the qualified theft case. Moreover, the termination of attorney-client relation provides no justification for a lawyer to represent an interest adverse to or in conflict with that of the former client.¹⁵

In a Resolution¹⁶ dated February 12, 2013, the IBP Board of Governors adopted and approved the IBP Commissioner's Report and Recommendation *with modification*. Instead of the penalty of *reprimand*, the

⁸ See *rollo*, Vol. II, pp. 414-416.

⁹ See *rollo*, Vol. I, p. 58.

¹⁰ See *id.* at 54.

¹¹ *Id.* at 58.

¹² See *id.* at 58-59.

¹³ *Rollo*, Vol. II, pp. 413-419. Issued by Commissioner Cecilio A. C. Villanueva.

¹⁴ *Id.* at 419.

¹⁵ See *id.* at 416-419.

¹⁶ See Notice of Resolution No. XX-2013-91 signed by National Secretary Nasser A. Marohomsalic; *id.* at 411-412.

IBP Board of Governors dismissed the case with warning that a repetition of the same or similar act shall be dealt with more severely.

Complainant filed a motion for reconsideration¹⁷ thereof, which the IBP Board of Governors granted in its Resolution¹⁸ dated March 23, 2014 and thereby (a) set aside its February 12, 2013 Resolution and (b) adopted and approved the IBP Commissioner's Report and Recommendation, with modification, (1) reprimanding the respondents for violation of the rule on conflict of interest; (2) dismissing the case against Atty. Dabao in view of his death; and (3) suspending Atty. Dionela from the practice of law for one year, being the handling counsel of complainant's labor cases.

The Issue Before the Court

The essential issue in this case is whether or not respondents are guilty of representing conflicting interests in violation of the pertinent provisions of the CPR.

The Court's Ruling

Rule 15.03, Canon 15 and Canon 21 of the CPR provide:

CANON 15 – A LAWYER SHALL OBSERVE CANDOR, FAIRNESS AND LOYALTY IN ALL HIS DEALINGS AND TRANSACTIONS WITH HIS CLIENTS.

x x x x

RULE 15.03 – A lawyer shall not represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.

x x x x

CANON 21 – A LAWYER SHALL PRESERVE THE CONFIDENCES AND SECRETS OF HIS CLIENT EVEN AFTER THE ATTORNEY-CLIENT RELATIONSHIP IS TERMINATED.

In *Hornilla v. Atty. Salunat*,¹⁹ the Court explained the concept of conflict of interest in this wise:

There is conflict of interest when a lawyer represents inconsistent interests of two or more opposing parties. The test is "whether or not in behalf of one client, it is the lawyer's duty to fight for an issue or claim, but it is his duty to oppose it for the other client. In brief, if he argues for one client, this argument will be opposed by him when he argues for the other client." This rule covers not only cases in which confidential

¹⁷ Dated May 15, 2013. Id. at 420-429.

¹⁸ See Notice of Resolution No. XXI-2014-171; id. at 512 (including dorsal portion).

¹⁹ 453 Phil. 108 (2003).

communications have been confided, but also those in which no confidence has been bestowed or will be used. Also, there is conflict of interests if the acceptance of the new retainer will require the attorney to perform an act which will injuriously affect his first client in any matter in which he represents him and also whether he will be called upon in his new relation to use against his first client any knowledge acquired through their connection. Another test of the inconsistency of interests is *whether the acceptance of a new relation will prevent an attorney from the full discharge of his duty of undivided fidelity and loyalty to his client or invite suspicion of unfaithfulness or double dealing in the performance thereof*.²⁰

As such, a lawyer is prohibited from representing new clients whose interests oppose those of a former client in any manner, **whether or not they are parties in the same action or on totally unrelated cases**. The prohibition is founded on the principles of public policy and good taste.²¹

In this case, the Court concurs with the IBP's conclusions that respondents represented conflicting interests and must therefore be held liable. As the records bear out, respondents' law firm was engaged and, thus, represented complainant in the labor cases instituted against him. However, after the termination thereof, the law firm agreed to represent a new client, FEVE Farms, in the filing of a criminal case for qualified theft against complainant, its former client, and his wife. As the Court observes, the law firm's unethical acceptance of the criminal case arose from its failure to organize and implement a system by which it would have been able to keep track of all cases assigned to its handling lawyers to the end of, among others, ensuring that every engagement it accepts stands clear of any potential conflict of interest. As an organization of individual lawyers which, albeit engaged as a collective, assigns legal work to a corresponding handling lawyer, it behooves the law firm to value coordination in deference to the conflict of interest rule. This lack of coordination, as respondents' law firm exhibited in this case, intolerably renders its clients' secrets vulnerable to undue and even adverse exposure, eroding in the balance the lawyer-client relationship's primordial ideal of unimpaired trust and confidence. Had such system been institutionalized, all of its members, Atty. Dionela included, would have been wary of the above-mentioned conflict, thereby impelling the firm to decline FEVE Farms' subsequent engagement. Thus, for this shortcoming, herein respondents, as the charged members of the law firm, ought to be administratively sanctioned. Note that the Court finds no sufficient reason as to why Atty. Dionela should suffer the greater penalty of suspension. As the Court sees it, all respondents stand in equal fault for the law firm's deficient organization for which Rule 15.03, Canon 15 and Canon 21 of the CPR had been violated. As such, all of them are meted with the same penalty of reprimand, with a stern warning that a repetition of the same or similar infraction would be dealt with more severely.

²⁰ Id. at 111-112; italics supplied.


²¹ *Quiambao v. Atty. Bamba*, 505 Phil. 126, 133 (2005); citation omitted.

As a final point, the Court clarifies that respondents' pronounced liability is not altered by the fact that the labor cases against complainant had long been terminated. Verily, the termination of attorney-client relation provides no justification for a lawyer to represent an interest adverse to or in conflict with that of the former client. The client's confidence once reposed should not be divested by mere expiration of professional employment.²²

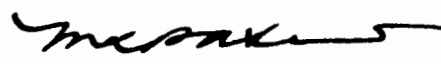
WHEREFORE, respondents Attys. Jose Ma. V. Valencia, Jose Ma. J. Ciocon, Lily Uy-Valencia, Joey P. De La Paz, Cris G. Dionela, Raymundo T. Pandan, Jr., Rodney K. Rubica, and Wilfred Ramon M. Peñalosa are found **GUILTY** of representing conflicting interests in violation of Rule 15.03, Canon 15 and Canon 21 of the Code of Professional Responsibility and are therefore **REPRIMANDED** for said violations, with a **STERN WARNING** that a repetition of the same or similar infraction would be dealt with more severely. Meanwhile, the case against Atty. Philip Dabao is **DISMISSED** in view of his death.

Let a copy of this Resolution be furnished the Office of the Bar Confidant, to be appended to respondents' personal records as attorneys. Further, let copies of this Resolution be furnished the Integrated Bar of the Philippines and the Office of the Court Administrator, which is directed to circulate them to all courts in the country for their information and guidance.

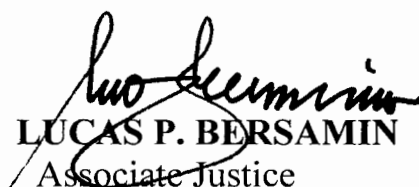
SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

²² *Heirs of Lydio Falame v. Atty. Baguio*, 571 Phil. 428, 441 (2008).