



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

ATTY. ARISTOTLE T. DOMINGUEZ,

G.R. No. 225207

*Petitioner,*

Present:

- versus -

PERLAS-BERNABE, SAJ.,  
*Chairperson,*  
HERNANDO,  
INTING,  
ZALAMEDA,\* and  
DIMAAMPAO, J., JJ.

BANK OF COMMERCE, as  
purported transferee of Traders  
Royal Bank, and SPOUSES  
CARMELO, JR. and  
ELIZABETH AFRICA,  
*Respondents.*

Promulgated:

SEP 29 2021

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DECISION

HERNANDO, J.:

Petitioner Atty. Aristotle T. Dominguez (Atty. Dominguez) filed a Petition for Review on *Certiorari* with Motion to Refer Case to Court of Appeals for Mediation<sup>1</sup> challenging the June 22, 2015 Decision<sup>2</sup> of the Court of Appeals (CA) which denied his Petition for *Certiorari*<sup>3</sup> assailing the January 28, 2013<sup>4</sup> and September 16, 2013<sup>5</sup> Orders of the Regional Trial Court (RTC), Branch 193 of Marikina City, involving his motion to fix attorney's fees and motion for production of compromise agreement.<sup>6</sup>

\* Designated as additional Member per Raffle dated August 25, 2021 vice J. Gaerlan who recused due to prior action in the Court of Appeals.

<sup>1</sup> *Rollo*, pp. 17-61.

<sup>2</sup> Id. at 63-76. Penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Ramon M. Bato, Jr. and Manuel M. Barrios.

<sup>3</sup> Id. at 143-161.

<sup>4</sup> Id. at 162. Penned by Judge Alice C. Gutierrez.

<sup>5</sup> Id. at 163-165.

<sup>6</sup> CA *rollo*, pp. 25-30.

**The Antecedents:**

In 2007, respondent Carmelo Africa Jr. (Carmelo), together with his brothers Carlos and Chito, engaged the legal services of Atty. Dominguez in order to prevent the Bank of Commerce (BOC) from taking possession of their family homes in Marikina City, Antipolo City and Quezon City with a total redemption price of ₱25 million.<sup>7</sup> Atty. Dominguez charged ₱250,000.00 or one percent (1%) of the redemption price as his acceptance fee.

Additionally, Carmelo and his brothers promised him a success fee corresponding to twenty percent (20%) of the amount reduced from the original redemption price.<sup>8</sup> Meanwhile, it came to the knowledge of Atty. Dominguez that the initial redemption price set by the BOC was ₱100 million. He averred that he failed to charge the proper acceptance fee due to the misrepresentation of Carmelo and his brothers as to the redemption price of the properties.<sup>9</sup>

In 2009, Carmelo and his brothers once again sought the legal services of Atty. Dominguez in a suit involving Hanjin Heavy Industries and Construction Co., Ltd. The lawyer who previously handled the case emerged victorious up to the appellate court. However, his services were terminated and was substituted by Atty. Domiguez who then initiated execution proceedings against Hanjin. Notwithstanding his efforts, Atty. Dominguez's legal services were likewise terminated.<sup>10</sup>

Meanwhile, BOC filed a petition<sup>11</sup> for cancellation of adverse claim on Transfer Certificate of Title (TCT) Nos. 473882 and 473883. This petition was opposed<sup>12</sup> by the spouses Carmelo and Elizabeth Africa (spouses Africa) through Atty. Dominguez. During the hearing, BOC manifested that there might be a settlement between the parties to which the spouses Africa did not interpose any objections.<sup>13</sup> In October 2012, Atty. Dominguez filed before the trial court a Request for Admission<sup>14</sup> of the aforesaid allegations. A month later, Atty. Dominguez manifested that he was no longer representing the spouses Africa as oppositors in the petition for cancellation of adverse claim.

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<sup>7</sup> *Rollo*, pp. 64-65.

<sup>8</sup> *Id.* at 65.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 163-165.

<sup>12</sup> *Id.* at 164.

<sup>13</sup> *Id.* at 164.

<sup>14</sup> *CA rollo*, pp. 69-74.

In January 2013, Atty. Dominguez filed a Motion to Fix Attorney's Fees and to Approve Charging (Attorney's) Lien with Motion for Production of Compromise Agreement (Motion to Fix Attorney's Fees).<sup>15</sup>

**Orders of the Regional Trial Court:**

In its January 28, 2013 Order,<sup>16</sup> the trial court decreed in this wise:

On the other hand, Atty. Aristotle Dominguez, former counsel of record of the oppositor was also in court for the hearing of his Motion to Fix Attorney's Fees and to Approve (Charging Attorney's Lien) with Motion for Production of Compromise Agreement.

Acting on the comment of Atty. Baybay on the motion of Atty. Dominguez that the said motion should be made once the judgment has been rendered or before the execution of the judgment on the case, the hearing of the said motion is hereby held in abeyance until a resolution or judgment in this case is rendered by the court. Meanwhile, Atty. Dominguez has no personality to appear in this case.

x x x x

SO ORDERED.<sup>17</sup>

On reconsideration,<sup>18</sup> Atty. Dominguez asserted that a Compromise Agreement<sup>19</sup> was entered into by BOC and the spouses Africa even if such was denied by the parties during trial. At the same time, he interposed his right to be compensated for the legal services he rendered resulting in the decrease of the redemption price and for preventing the BOC from taking possession of the properties.<sup>20</sup> However, the trial court denied Atty. Dominguez's motion for reconsideration in its September 16, 2013 Order,<sup>21</sup> the dispositive portion reads:

WHEREFORE, foregoing premises considered, the motion for reconsideration is hereby denied on the ground that the claim for attorney's fees by the herein movant Atty. Dominguez should be claimed in a separate civil case.

SO ORDERED.<sup>22</sup>

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<sup>15</sup> Id. at 25-32.

<sup>16</sup> Id. at 21.

<sup>17</sup> Id.

<sup>18</sup> CA *rollo*, pp. 33-43.

<sup>19</sup> Id. at 35.

<sup>20</sup> *Rollo*, p. 48.

<sup>21</sup> CA *rollo*, pp. 22-24.

<sup>22</sup> Id. at 24.

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Undeterred, Atty. Dominguez filed a Petition for *Certiorari*<sup>23</sup> before the CA ascribing grave abuse of discretion on the part of the trial court in issuing the assailed Orders. Atty. Dominguez mainly contended that the proper remedy for him is to claim attorney's fees in the same case where he rendered his service and acted as counsel rather than through an independent action in order to avoid multiplicity of suits.<sup>24</sup>

### **Ruling of the Court of Appeals:**

In its Decision<sup>25</sup> dated June 22, 2015, the appellate court dismissed Atty. Dominguez's Petition for *Certiorari* after finding no grave abuse on the part of the trial court. It held that trial courts cannot adjudicate money claims in petitions for cancellation of adverse claim and are restricted in the determination of the propriety of cancelling an adverse claim.<sup>26</sup> The appellate court cited *Aquino v. Casabar*<sup>27</sup> (*Aquino*) where it was held that the claim for attorney's fees may be held in abeyance until the main case has become final. It was further explained in *Aquino* that the attorney's fees may be claimed either in the same case where the service of the lawyer was sought or in a separate action.<sup>28</sup>

In addition, the appellate court declared that since a petition for cancellation of adverse claim is incapable of pecuniary estimation, the trial court could not grant monetary award especially a lien on the judgment in the form of attorney's fees. While it recognized attorney's fee or success fee as compensation for the service of a lawyer, the amount thereof may be a subject of a separate civil case and not in the proceedings for cancellation of adverse claim.<sup>29</sup>

The appellate court also affirmed the trial court's findings that the compromise agreement will not affect the nature of a petition for cancellation of adverse claim since it is not even part of the proceedings or subject of the trial court's approval.<sup>30</sup> In sum, the appellate court found the trial court to have acted within its jurisdiction in the issuance of the latter's assailed Orders, and denied the petition for *certiorari*.<sup>31</sup>

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<sup>23</sup> *Rollo*, pp. 143-161.

<sup>24</sup> *CA rollo*, pp. 14-17.

<sup>25</sup> *Rollo*, pp. 63-76.

<sup>26</sup> *Id.* at 73.

<sup>27</sup> 752 Phil. 1, 10 (2015), citing *Traders Royal Bank Employees Union-Independent v. NLRC*, 336 Phil. 705, 713-714 (1997).

<sup>28</sup> *Rollo*, pp. 73-74.

<sup>29</sup> *Id.* at 74-75.

<sup>30</sup> *Id.* at 74.

<sup>31</sup> *Id.* at 75.

Atty. Dominguez' Motion for Reconsideration<sup>32</sup> was likewise denied in the appellate court's Resolution<sup>33</sup> dated June 16, 2016. Hence, the present petition<sup>34</sup> raising the following arguments, viz.:

**Issues:**

I. The Honorable Court of Appeals gravely erred in ruling in its Resolution dated 16 June 2016 that "*in petitions for cancellation of adverse claim in transfer of certificates of title, trial courts are restricted to rule on the issue on propriety or impropriety of the adverse claim*" (invoking *Diaz-Duarte v. Spouses Ong*, G.R. No. 130352, November 3, 1998) and "*Thus, they cannot rule on money judgments*".

II. The Honorable Court of Appeals gravely erred in further ruling in its Resolution dated 16 June 2016 that "*the proceedings in (petitions for cancellation of adverse claim in transfer of certificates of title) are in effect summary in nature and the issue therein is limited. Being summary in nature, they are inadequate for the litigation of other issues, such as the issue on attorney's fees, which properly pertain to separate civil actions*" and that "*the authority of the court a quo is limited to the determination of the propriety or impropriety of the adverse claim*" and that "*Petitioner should have pursued his claim in a separate action*".

III. The Honorable Court of Appeals gravely erred in ruling in its Resolution dated 16 June 2016 that "*Lastly, the Compromise Agreement, which was allegedly the basis of petitioner's claim for attorney's fees, was never a part of the proceedings before it. Thus, the court a quo cannot properly rule on the issue based on such agreement*".

IV. The Honorable Court of Appeals gravely erred in ruling in its Resolution dated 16 June 2016 that "*A charging lien to be enforceable as security for the payment of attorney's fees, requires as a condition sine qua non a judgment for money and execution in pursuance of such judgment secured in the main action by the attorney in favor of his client. In the petition before the court a quo, there is no judgment of money involved in which his services were rendered, such that, therefore, petitioner's claim for attorney's fees below is misplaced.*"<sup>35</sup>

In summary, the issues for resolution are the following:

1. Whether or not the trial court can rule on money judgments in a petition for cancellation of adverse claim.

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<sup>32</sup> CA rollo, pp. 233-289.

<sup>33</sup> Rollo, pp. 134-139.

<sup>34</sup> Supra note 1.

<sup>35</sup> Rollo, pp. 38-39, 48.

2. Whether or not the claim for attorney's fees should be pursued in a separate action rather than in the petition for cancellation of adverse claim.

3. Whether or not the Compromise Agreement between BOC and Spouses Africa can be a valid basis for Atty. Dominguez' attorney's fees, even if such document was not part of the proceedings in the petition for cancellation of adverse claim.

4. Whether or not money judgment and execution in the main case are conditions *sine qua non* in charging lien as security for payment of attorney's fees.

### Our Ruling

The Petition is meritorious.

**In petitions for cancellation of adverse claim, trial courts are not precluded from adjudicating matters involving attorney's fees.**

The spouses Africa insist that trial courts hearing a petition for cancellation of adverse claim could only rule on the propriety or impropriety of the petition and could not decree money judgments.<sup>36</sup> On the other hand, BOC asserts that Atty. Dominguez could not claim his attorney's fees in the petition for cancellation of adverse claim since his interest to be compensated for his legal services is unrelated to said petition, and should be addressed as against the spouses Africa only.<sup>37</sup>

On the other hand, Atty. Dominguez argues that the pronouncement of the appellate court did not have basis in jurisprudence,<sup>38</sup> and that despite the jurisdiction conferred to the trial courts, they can still pass upon matters involving attorney's fees pursuant to their general jurisdiction.<sup>39</sup>

We find for Atty. Dominguez. The trial court may rule on money judgments such as attorney's fees and record and enforce attorney's lien in a petition for cancellation of adverse claim or in a separate action, at the option of the counsel claiming the same. To distinguish, registration or recording of attorney's lien merely recognizes the right of the lawyer to claim from the judgment of the suit, whereas the lien can only be enforced when the money

<sup>36</sup> Id. at 304-305. See also *rollo*, pp. 73-75.

<sup>37</sup> Id. at 281-284.

<sup>38</sup> Id. at 38-39.

<sup>39</sup> Id. at 40.

judgment in favor of the counsel's client becomes final and executory.<sup>40</sup> It is to be noted that among the prayers of Atty. Dominguez in his Motion to Fix Attorney's Fees<sup>41</sup> is to register a statement of his lien before the rendition of judgment.<sup>42</sup> If a lien may be enforced in said petition when the money judgment has become final, then the registration of the lien may be granted even prior to the judgment in order to establish the lawyer's claim. The determination and the fixing of attorney's fees may be deferred until the resolution of the case and the finality of the money judgment in favor of the lawyer's client.

The language of Section 70 of the *Property Registration Decree* (PD 1529) is clear; it does not limit the issues that may be resolved by the trial court in a petition for cancellation of adverse claim, viz.:

SECTION 70. *Adverse Claim.* x x x.

x x x x

**[A]ny party in interest may file a petition in the Court of First Instance where the land is situated for the cancellation of the adverse claim, and the court shall grant a speedy hearing upon the question of the validity of such adverse claim, and shall render judgment as may be just and equitable. If the adverse claim is adjudged to be invalid, the registration thereof shall be ordered cancelled. If, in any case, the court, after notice and hearing, shall find that the adverse claim thus registered was frivolous, it may fine the claimant in an amount not less than one thousand pesos nor more than five thousand pesos, in its discretion. x x x. (Emphasis Supplied)<sup>43</sup>**

While the trial court is directed to speedily hear the case on the validity of the adverse claim, there is no prohibition or any restriction on the trial court from hearing issues on money judgment particularly on matters concerning attorney's fees and lien. There is thus no basis to BOC's argument that Atty. Dominguez could not assert the issue concerning his legal fees in the petition for the cancellation of adverse claim itself.<sup>44</sup> Since Atty. Dominguez represented the spouses Africa as oppositors in the petition for cancellation of adverse claim, he may then advance his claim thereon.

Likewise, Atty. Dominguez correctly claimed that while this Court pronounced in *Diaz-Duarte v. Spouses Ong*<sup>45</sup> that a hearing is necessary in a petition for cancellation of adverse claim in order to afford the parties opportunity to prove the propriety or impropriety of the said claim, and as We

<sup>40</sup> *Navarez v. Abrogar III*, 768 Phil. 297, 306-307 (2015).

<sup>41</sup> *CA rollo*, pp. 25-32.

<sup>42</sup> *Id.* at 29.

<sup>43</sup> PROPERTY REGISTRATION DECREE or P.D. No. 1529. Dated June 11, 1978.

<sup>44</sup> *Palencia v. Linsangan*, 836 Phil. 1, 15 (2018).

<sup>45</sup> 358 Phil. 876, 884-885 (1998)

have elucidated in *Spouses Ching v. Spouses Enrile*<sup>46</sup> to the same effect, this Court did not so declare that trial courts hearing a petition for cancellation of adverse claim are limited to hear and decide only on the propriety or impropriety of the adverse claim. To stress, trial courts are not precluded from adjudicating money claims such as attorney's fees in a petition for cancellation of adverse claim.

As correctly argued by Atty. Dominguez, even in cases for the determination of just compensation,<sup>47</sup> settlement of intestate estate,<sup>48</sup> foreclosure of mortgage,<sup>49</sup> and in probate of a will,<sup>50</sup> this Court had recognized and permitted the counsel to interpose his claim for attorney's fees and lien. In *Palanca v. Pecson*<sup>51</sup> (*Palanca*) the Court *En Banc* upheld the rule against multiplicity of suits to justify its holding that probate courts may pass upon a petition to determine attorney's fees.

Appropriately, We hold that in a petition for cancellation of adverse claim, trial courts may at the same time hear matters regarding claims for attorney's fees and charging of lien, in observance of the policy against multiplicity of suits. Hence, the lawyer may choose to record and enforce his attorney's fees and lien in a petition for cancellation of adverse claim or he may opt to file an entirely separate action for this purpose.

**A Compromise Agreement between the counsel's client and the adverse party is one of the factors in determining the counsel's lawful fees for the legal services he rendered.**

The appellate court held that the trial court would not be able to properly rule on the issue of attorney's fees considering that the compromise agreement was never part of the proceedings in the petition for cancellation of adverse claim.<sup>52</sup> On the part of BOC, it argued that since there was a compromise agreement, no money judgment was awarded to the spouses Africa which would have serve as basis of the attorney's fees.<sup>53</sup>

Contrarily, Atty. Dominguez refutes said contentions by stating that the compromise agreement is not the only basis for the award of attorney's fees

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<sup>46</sup> 587 Phil. 175, 184 (2008).

<sup>47</sup> *Aquino v. Casabar*, 752 Phil. 1, 11 (2015).

<sup>48</sup> *Heirs and/or Estate of Siapián v. Intestate Estate of Mackay*, 644 Phil. 207, 212-213 (2010).

<sup>49</sup> *Bacolod Murcia Milling Co., Inc. v. Henares*, 107 Phil. 560, 568 (1960).

<sup>50</sup> *Palanca v. Pecson*, 94 Phil. 419, 423 (1954).

<sup>51</sup> *Id.* at 423.

<sup>52</sup> *Rollo*, p. 74.

<sup>53</sup> *Id.* at 286.

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but may likewise be anchored on the drastic decrease in the redemption price resulting from his earnest efforts to oppose the writs of possession and the petition for cancellation of adverse claim.<sup>54</sup> Moreover, he avers that the termination of attorney-client relationship should not be used to negate charging of lien or the award of attorney's fees.<sup>55</sup>

Indeed, the compromise agreement and those factors enumerated under Rule 20.01 of the Code of Professional Responsibility (CPR), may serve as basis for the award of attorney's fees. Initially, attorney's fees can be adjudicated based on the following factors, viz.:

Rule 20.1 — A lawyer shall be guided by the following factors in determining his fees:

- a) The time spent and the extent of the services rendered or required;
- b) The novelty and difficulty of the questions involved;
- c) The importance of the subject matter;
- d) The skill demanded;
- e) The probability of losing other employment as a result of acceptance of the proffered case;
- f) The customary charges for similar services and the schedule of fees of the IBP chapter to which he belongs;
- g) The amount involved in the controversy and the benefits resulting to the client from the service;
- h) The contingency or certainty of compensation;
- i) The character of the employment, whether occasional or established; and
- j) The professional standing of the lawyer.<sup>56</sup>

Granting that a compromise agreement had been reached by the parties, the same may be used to determine the counsel's lawful fees provided it is produced and admitted before the trial court for proper scrutiny and consideration. *Gubat v. National Power Corporation*<sup>57</sup> is instructive, to wit:

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<sup>54</sup> Id. at 48.

<sup>55</sup> Id. at 337.

<sup>56</sup> CODE OF PROFESSIONAL RESPONSIBILITY, Dated June 21, 1988.

<sup>57</sup> 627 Phil. 551 (2010).

A client may enter into a compromise agreement without the intervention of the lawyer, but the terms of the agreement should not deprive the counsel of his compensation for the professional services he had rendered. If so, the compromise shall be subjected to said fees. x x x.

x x x x

x x x. As the validity of a compromise agreement cannot be prejudiced, so should not be the payment of a lawyer's adequate and reasonable compensation for his services should the suit end by reason of the settlement. X x x. A lawyer is as much entitled to judicial protection against injustice or imposition of fraud on the part of his client as the client is against abuse on the part of his counsel. The duty of the court is not only to ensure that a lawyer acts in a proper and lawful manner, but also to see to it that a lawyer is paid his just fees.<sup>58</sup> (Emphasis supplied)

Thus, when a compromise agreement is entered into by the parties and as a consequence of which, the suit did not result in a court's judgment on money claims, said compromise agreement may serve as a basis in the award for attorney's fees. Furthermore, *quantum meruit*, which means as much as he deserves, is likewise a basis especially when the attorney-client relationship was severed prior to the finality of the case. *Villarama v. De Jesus*<sup>59</sup> mandates such effect in this wise:

Once the attorney has performed the task assigned to him in a valid agreement, his compensation is determined on the basis of what he and the client agreed. In the absence of the written agreement, the lawyer's compensation shall be based on *quantum meruit*, which means "as much as he deserved." The determination of attorney's fees on the basis of *quantum meruit* is also authorized "when the counsel, for justifiable cause, was not able to finish the case to its conclusion."<sup>60</sup>

Since Atty. Domiguez rendered his legal services in the petition for cancellation of adverse claim for the spouses Africa, he is then entitled to his attorney's fees. In the usual course, when the lawyer has established his entitlement to attorney's fees, the case will then be remanded to the trial court for the proper determination of the amount on the basis of *quantum meruit*. In other instances, this Court found it prudent to fix the attorney's fees to finally put an end to the issue.

In this present case, We find it appropriate to remand the case to the trial court as it is in the best position to determine the correct amount of attorney's fees on the basis of *quantum meruit* leveraged on the factors under Rule 20.01 of CPR, as well as the Compromise Agreement which then would have been presented before it for its consideration.

<sup>58</sup> Id. at 566-567 (2010).

<sup>59</sup> 808 Phil. 725 (2017).

<sup>60</sup> Id. at 735-736.

**In charging lien to secure attorney's fees, money judgment and execution are necessary.**

The appellate court ruled that absent money judgment in the case where the counsel rendered his services, the claim for attorney's fees in said petition is misplaced.<sup>61</sup> Similarly, BOC avers that a counsel's right to charge lien to secure his attorney's fees will not arise when no judgment for the payment of money was issued in the petition for cancellation of adverse claim. It cites *Metropolitan Bank and Trust Company v. Court of Appeals*<sup>62</sup> (*Metropolitan Bank and Trust Company*) to insist that Atty. Dominguez failed to comply with the requisites for a valid charging of lien since there was no longer attorney-client relationship beginning November 2012 when his services were terminated.<sup>63</sup>

Conversely, Atty. Dominguez iterate that the doctrine in *Metropolitan Bank and Trust Company* could not prevail over the pronouncement in *Bacolod Murcia Milling Company, Inc. v. Henares*<sup>64</sup> (*Bacolod Murcia Milling Company, Inc.*) and *Palanca v. Pecson*<sup>65</sup> (*Palanca*) where the Court *En Banc* allowed the charging of lien for the payment of attorney's fees despite the absence of money judgment in the suit. He contends that a decision rendered by this Court in division would not alter the doctrine laid down by this Court in an *En Banc* proceeding.<sup>66</sup>

We hold that a money judgment and execution are necessary in order to charge or enforce attorney's lien. Section 37, Rule 138 of the Rules of Court expresses mandates that:

**Section 37. Attorneys' liens.** — x x x. He shall also have a lien to the same extent upon all judgments for the payment of money, and executions issued in pursuance of such judgments, which he has secured in a litigation of his client, from and after the time when he shall have caused a statement of his claim of such lien to be entered upon the records of the court rendering such judgment, or issuing such execution, and shall have caused written notice thereof to be delivered to his client and to the adverse party; and he shall have the same right and power over such judgments and executions as his client would have to enforce his lien and secure the payment of his just fees and disbursements.

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<sup>61</sup> *Rollo*, pp. 73-74.

<sup>62</sup> 260 Phil. 389, 399 (1990).

<sup>63</sup> *Rollo*, pp. 285-286.

<sup>64</sup> 107 Phil. 560, 568-569 (1960).

<sup>65</sup> 94 Phil. 419, 421-423 (1954).

<sup>66</sup> *Rollo*, pp. 50-53.

It is clear from the said provision that attorney's lien attaches on all money judgments and on the subsequent execution thereof which the lawyer secured in advocating the cause of his client in a litigation, provided that (1) the lawyer caused the registration of his lien on the records of the court; and (2) the lawyer caused a written notice to such effect to be delivered to his client and to the adverse party. Logically, it would be absurd to charge or enforce a lien without judgment or resolution of the case as there is absence of basis for the determination of the legal fees.

A careful perusal of the decisional rule in *Bacolod Murcia Milling Company, Inc.*<sup>67</sup> reveals that the adjudication of attorney's fees and lien presupposed the existence of money judgment in favor of the counsel's client in this wise:

While in this jurisdiction the lien does not attach to the property in litigation, it is obvious that it should attach to the proceeds of the judgment for the payment of money, otherwise, the lien would be meaningless and of no substance. A judgment for money is only as valuable as the amount that could be realized therefrom; and to speak of a lien on the judgment without including therein its proceeds, at least in pecuniary terms, is to lose perspective in the differentiation of substance and form.<sup>68</sup>

Also, in *Palanca*,<sup>69</sup> this Court *En Banc* distinguished registration and enforcement of lien such that a statement of lien may be registered even before the rendition of judgment, while enforcement may only be done after a judgment has been secured in favor of the client, to wit:

Under this provision we are of the opinion that **the attorney may cause a statement of his lien to be registered even before the rendition of any judgment, the purpose being merely to establish his right to the lien. The recording is distinct from the enforcement of the lien, which may take place only after judgment is secured in favor of the client.** We believe also that the provision permits the registration of an attorney's lien, although the lawyer concerned does not finish the case successfully in favor of his client, because an attorney who quits or is dismissed before the conclusion of his assigned task is as much entitled to the protection of the rule. Otherwise, a client may easily frustrate its purpose. (Emphasis supplied)<sup>70</sup>

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<sup>67</sup> Supra note 49.

<sup>68</sup> *Bacolod Murcia Milling Co., Inc. v. Henares*, supra note 49 at 567.

<sup>69</sup> Supra note 50.

<sup>70</sup> Id. at 422.

Since the 1954 pronouncement of this Court in *Palanca*<sup>71</sup> up to the present, We have consistently held that a final money judgment in favor of the counsel's client is significant so that charging of attorney's lien may commence. Otherwise, the enforcement of attorney's lien would have no leg to stand on. *Navarez v. Abrogar III*<sup>72</sup> reflects the same doctrine which reads:

The registration of the lien should also be distinguished from the enforcement of the lien. Registration merely determines the birth of the lien. **The enforcement of the lien, on the other hand, can only take place once a final money judgment has been secured in favor of the client.** The enforcement of the lien is a claim for attorney's fees that may be prosecuted in the very action where the attorney rendered his services or in a separate action.<sup>73</sup> (Emphasis supplied)

In sum, while attorney's lien may be recorded before the finality of the judgment, its enforcement presupposes an existing final monetary judgment or a resolution of the case. We acknowledge the entitlement of Atty. Dominguez to his lawful and legal fees for the services he rendered to the spouses Africa in the petition for cancellation of adverse claim among others, regardless of the fact that the attorney-client relationship was severed prior to the resolution of the case or the settlement between the spouses Africa and BOC.

Nonetheless, We reserve the determination of his attorney's fees to the trial court, instead of referring the case for mediation, to avert needless delay in the resolution of this case. The trial court is in the best position to determine the factual issues such as the alleged existence of bad faith on that part of BOC that would make it solidarily liable with the spouses Africa for the amount of attorney's fees, and to receive documents and evidence such as the alleged Compromise Agreement, which are to be weighed against the factors enumerated under Rule 20.01 of the CPR for the proper award of attorney's fees on the basis of *quantum meruit* in favor of Atty. Dominguez.

**WHEREFORE**, the Petition is **GRANTED**. The assailed June 22, 2015 Decision<sup>74</sup> of the Court of Appeals is **REVERSED** and **SET ASIDE**. This case is hereby **REMANDED** to the Regional Trial Court, Branch 193 of Marikina City, for the determination of attorney's fees based on *quantum meruit*.

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<sup>71</sup> Id.

<sup>72</sup> Supra note 40.

<sup>73</sup> Supra note 40.

<sup>74</sup> Supra note 2.

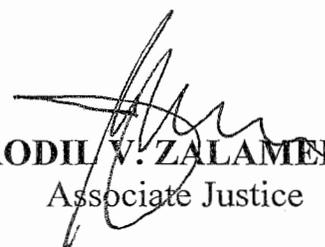
**SO ORDERED.**

  
**RAMON PAUL L. HERNANDO**  
Associate Justice

**WE CONCUR:**

  
**ESTELA M. BERLAS-BERNABE**  
Senior Associate Justice  
Chairperson

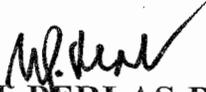
  
**HENRI JEAN PAUL B. INTING**  
Associate Justice

  
**RODIL V. ZALAMEDA**  
Associate Justice

  
**JAFAR B. DIMAAMPAO**  
Associate Justice

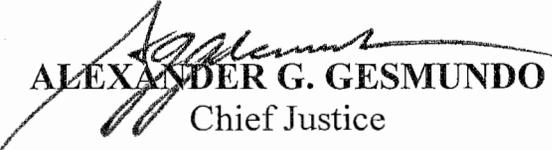
## ATTESTATION

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

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice  
Chairperson

## CERTIFICATION

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

  
**ALEXANDER G. GESMUNDO**  
Chief Justice

