



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **January 8, 2020** which reads as follows:*

“A.C. No. 12317 (Formerly CBD Case No. 16-5061) (*Teodoro Cortez v. Atty. Cenon J. Navarro*). - Before the Court is a Complaint for disbarment filed with the Commission on Bar Discipline (CBD) of the Integrated Bar of the Philippines (IBP) by herein complainant Teodoro Cortez against herein respondent Atty. Cenon J. Navarro on grounds of alleged violation of Canon 15 of the Code of Professional Responsibility (CPR).

Complainant alleges in his Complaint-Affidavit¹ that between May 2012 and August 2015, he engaged the services of herein respondent in different instances, to wit: (1) as counsel in a labor case filed against him as employer; (2) as counsel in a theft case filed against one of his employees; (3) in preparing a deed of sale of complainant’s motor vehicle; and (4) in preparing an affidavit regarding an accident involving one of complainant’s vehicles. According to the complainant, from the year 2012 up to the filing of the instant complaint, respondent was the only lawyer he confided to and that he has placed his utmost trust and confidence in respondent by disclosing to the latter pieces of personal information which he highly values. However, in July 2016, he received a notice from the Regional Trial Court (RTC) of Malolos, Bulacan, informing him that a complaint for judicial partition was filed against him. Complainant found out in the attached copy of the complaint against him that respondent was the counsel for the complainant therein. Herein complainant now alleges that respondent is guilty of violating Rule 15.03, Canon 15 of the CPR, which states that “[a] lawyer shall not

¹ *Rollo*, pp. 2-9.

represent conflicting interests except by written consent of all concerned given after a full disclosure of the facts.”

In his Answer,² respondent admitted having rendered services to herein complainant as the latter’s counsel in the theft and labor cases mentioned in the present complaint. However, respondent claims that the attorney-client relationship between him and complainant already ceased around two (2) years before the filing of the instant complaint; any information which he acquired with respect to the cases which he previously handled for herein complainant are not, in any way, related to the judicial partition case which he filed against herein complainant in representation of another client; the previous attorney-client relationship between him and complainant, and which has already terminated, should not bar him from subsequently representing another client against complainant with respect to a different case.

On April 5, 2017, the IBP Commissioner³ assigned to investigate the case issued a Notice of Mandatory Conference/Hearing⁴ requiring the parties to submit their respective mandatory conference briefs and to appear before the CBD.

Respondent failed to appear during the mandatory conference set on May 24, 2017.

On even date, the IBP Commissioner issued an Order⁵ terminating the mandatory conference and directing the parties to file their verified position papers, after which the case shall be deemed submitted for report and recommendation.

After complainant and respondent filed their respective Position Papers, the IBP Commissioner issued his Report and Recommendation⁶ dated July 31, 2017 finding respondent guilty of violating the Lawyer’s Oath and recommending that a penalty of suspension from the practice of law for a period of three (3) months be imposed upon respondent.

The IBP Commissioner held that respondent is guilty of representing conflicting interests considering that, since 2012, respondent has been the counsel of complainant and in the course of

² *Id.* at 73-82.

³ Commissioner Gilbert L. Macatangay.

⁴ *Rollo*, p. 85.

⁵ *Id.* at 87.

⁶ *Id.* at 162-166.

their attorney-client relationship, complainant has put his utmost trust and confidence in respondent and disclosed to the latter his personal information. Yet, despite knowing complainant's background and history, respondent still chose to represent another individual in a case filed against herein complainant.

Thereafter, the IBP Assistant National Secretary issued a Notice of Resolution⁷ indicating that in a Resolution dated February 22, 2018, the IBP Board of Governors resolved to adopt the findings of fact and recommendation of the IBP Investigating Commissioner, with modification, by recommending the imposition of penalty of suspension from the practice of law for one (1) year instead of three (3) months.

The Court disagrees with the findings and recommendation of the IBP Commissioner and the IBP Board of Governors.

Rule 15.03, Canon 15 and Canon 21 of the Code of Professional Responsibility (*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.

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

In the case of *Paces Industrial Corporation v. Atty. Salandanan*,⁸ this Court had occasion to discuss the rule governing the proscription against representation of conflicting interests by a lawyer, to wit:

Under the afore-cited rules, it is explicit that 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. Conflict of interest exists when a lawyer represents inconsistent interests

⁷ *Id.* at 160.

⁸ 814 Phil. 93 (2017).

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 short, 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 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 of said duty. The prohibition is founded on the principles of public policy and good taste.

The prohibition against conflict of interest rests on the following five (5) rationales;

First, the law seeks to assure clients that their lawyers will represent them with undivided loyalty. A client is entitled to be represented by a lawyer whom the client can trust. Instilling such confidence is an objective important in itself.

Second, the prohibition against conflicts of interest seeks to enhance the effectiveness of legal representation. To the extent that a conflict of interest undermines the independence of the lawyer's professional judgment or inhibits a lawyer from working with appropriate vigor in the client's behalf, the client's expectation of effective representation could be compromised.

Third, a client has a legal right to have the lawyer safeguard confidential information pertaining to it. Preventing the use of confidential information against the interests of the client to benefit the lawyer's personal interest, in aid of some other client, or to foster an assumed public purpose, is facilitated through conflicts rules that reduce the opportunity for such abuse.

Fourth, conflicts rules help ensure that lawyers will not exploit clients, such as by inducing a client to make a gift or grant in the lawyer's favor.

Finally, some conflict-of-interest rules protect interests of the legal system in obtaining adequate presentations to tribunals. In the absence of such rules, for example, a lawyer might appear on both sides of the litigation, complicating the process of taking proof and compromise adversary argumentation.

Even the termination of the attorney-client relationship does not justify a lawyer to represent an interest adverse to or in conflict with that of the former client. The spirit behind this rule is that the client's confidence once given should not be stripped by the mere expiration of the professional employment. Even after the severance of the relation, a lawyer should not do anything that will injuriously affect his former client in any matter in which the lawyer previously represented the client. Nor should the lawyer disclose or use any of the client's confidences acquired in the previous relation. In this regard, Canon 17 of the CPR expressly declares that: "A lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him." The lawyer's highest and most unquestioned duty is to protect the client at all hazards and costs even to himself. The protection given to the client is perpetual and does not cease with the termination of the litigation, nor is it affected by the client's ceasing to employ the attorney and retaining another, or by any other change of relation between them. It even survives the death of the client.

It must, however, be noted that a lawyer's immutable duty to a former client does not cover transactions that occurred beyond the lawyer's employment with the client. The intent of the law is to impose upon the lawyer the duty to protect the client's interests only on matters that he previously handled for the former client and not for matters that arose after the lawyer-client relationship has terminated.⁹

In the present case, respondent made the representation in the judicial partition case against herein complainant two years after his professional relationship with him has ceased.

Moreover, the cases where respondent represented herein complainant were: (1) a labor case, where the latter was sued by one of his employees, and; (2) a case for theft filed against one of complainant's employees. Complainant, likewise, alleges that respondent prepared a deed of sale of complainant's motor vehicle and an affidavit regarding an accident involving one of complainant's vehicles.

As discussed above, one 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, and also whether he will be called upon in his new relation to use against his first client any knowledge acquired in the previous employment. The first part of the rule refers to cases in

⁹ *Id.* at 98-100. (Emphasis supplied)

which the opposing parties are **present clients either in the same action or in a totally unrelated case**; the second part pertains to those in which the adverse party against whom the attorney appears is his **former client in a matter which is related, directly or indirectly**, to the present controversy.¹⁰ Another test of inconsistency of interests is whether the lawyer will be asked to use against his former client any confidential information acquired through their connection or previous employment.¹¹

Herein complainant was respondent's former client and there is nothing to show that the present suit against complainant, in which respondent is the adverse counsel, is, in any way, related to the cases in which respondent previously represented him (herein complainant). Neither is there any specific allegation, much less, evidence to prove that respondent has used or may use any information which he has acquired in his previous employment with herein complainant to the prejudice of the latter. Complainant simply contends in a vague and general language that he has put in respondent his "utmost trust and confidence and disclosed [to] him personal information" that he highly values¹² and that respondent has abused such trust and confidence by representing another individual in a case filed against complainant despite knowing fully well his background and history.¹³

WHEREFORE, the complaint against respondent **Atty. Cenon J. Navarro** is **DISMISSED** for lack of merit.

SO ORDERED." Lopez, J., *on official leave.*

Very truly yours,


LIBRADA C. BUENA
Division Clerk of Court

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¹⁰ *Lim v. Atty. Villarosa*, 524 Phil. 37, 55 (2006).

¹¹ *Palm v. Atty. Iledan, Jr.*, 617 Phil. 212, 220 (2009).

¹² See rollo, p. 4.

¹³ *Id.* at 5.

RESOLUTION

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A.C. No. 12317
January 8, 2020

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Apalit, 2016 Pampanga

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