

Republic of the Philippines
Supreme Court
Manila

EN BANC

OFFICE OF THE COURT
ADMINISTRATOR,
Complainant,

A.M. No. RTJ-12-2316
[Formerly A.M. No. 09-7-
280-RTC]

-versus-

Present:

HON. LIBERTY O. CASTAÑEDA,
Presiding Judge, ATTY. PAULINO
I. SAGUYOD, Clerk of Court,
LOURDES E. COLLADO, Sheriff,
MARYLINDA C. DOCTOR,*
EVELYN B. ANTONIO, ROSALIE
P. SARSAGAT, and CHERYL B.
ESTEBAN, Court Stenographers,
GEORGE P. CLEMENTE, Clerk,
MARITONI FLORIAN C.
CERVANTES, Court Interpreter,
and RUBEN A. GIGANTE, Utility
Worker, ALL OF BRANCH 67,
REGIONAL TRIAL COURT,
PANIQUI, TARLAC,
Respondents.

GESMUNDO, C.J.,
LEONEN,
CAGUIOA,
HERNANDO,**
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.
GAERLAN,**
ROSARIO,
LOPEZ, J.
DIMAAMPAO,
MARQUEZ,****
KHO, JR., and
SINGH, JJ.

Promulgated:

October 29, 2024

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* Also referred to as "Marylind C. Doctor" in some parts of the *rollo*.
** On Official Business.
*** On Official Leave.
**** No part due to prior participation as then Court Administrator.

RESOLUTION

SINGH, J.:

The validity of judicial decisions rendered during a judge's suspension period, particularly when such suspension spans a significant period, raises profound questions about the legitimacy and integrity of judicial acts performed during the period of incapacity. The case at hand, involving the suspension of Judge Liberty O. Castañeda (**Judge Castañeda**), formerly the Presiding Judge of Branch 67, Regional Trial Court (**RTC**) of Paniqui, Tarlac, brings to the forefront issues about the authority of a judge to continue adjudicating cases and rendering decisions that bear the gravitas of law during a period of suspension. The primary task before this Court is to determine whether the orders and decisions issued by Judge Castañeda during her suspension should stand or if they must be rendered void in order to preserve the sanctity of the judicial process.

The Facts

The Memorandum,¹ dated February 13, 2023, issued by Court Administrator Raul B. Villanueva, Office of the Court Administrator (**OCA**), provides the following context:

On July 12, 2022, the Court, through an *En Banc* Resolution,² referred the letters of Maria Olympia N. Bailey (**Maria Olympia**) and Atty. Ana Murray Y. Santillan (**Atty. Santillan**) to the OCA for appropriate action.³

In the letter,⁴ dated June 21, 2016, Spouses Arvin John Bailey (**Arvin**) and Maria Olympia Bailey (**Spouses Bailey**) sought confirmation from the OCA regarding the validity of their marriage. This arose due to a Decision, dated September 21, 2010, issued by Judge Castañeda in Civil Case No. 666-09, which declared their marriage null and void. The Spouses Bailey further stated that the Quezon City Civil Registrar refused to recognize the Decision and, consequently, did not proceed with the annulment registration. This was allegedly due to a pending administrative case against Judge Castañeda concerning annulment of marriage cases assigned to her sala. The Spouses Bailey elaborated that the Quezon City Civil Registrar refrained from pursuing the registration of their annulment due to their eventual reconciliation and Maria Olympia's subsequent pregnancy. Nevertheless, Arvin informed his company about the nullity of his marriage, which changed his status from "married" to "annulled." This modification resulted in Maria

¹ Rollo, pp. 3428-3431.

² *Id.* at 3423.

³ *Id.* at 3428.

⁴ *Id.* at 3399.



Olympia losing her status as a dependent and all contingent benefits thereof. Currently, Maria Olympia is endeavoring to obtain proof (i.e., a letter or document) from the OCA, which she intends to furnish to the legal department of Arvin's company to revert Arvin's status to married, thereby restoring her eligibility for dependent benefits.⁵

A review of the records revealed that Civil Case No. 666-09 was decided on September 21, 2010, during Judge Castañeda's suspension, but prior to her dismissal on October 9, 2012.⁶

As regards the letter,⁷ dated June 5, 2018, Atty. Santillan also sought clarification on the validity of the decision rendered by Judge Castañeda during the latter's period of suspension and its legal implications on the status of Civil Case No. 595-M 2017, currently pending before Branch 10, RTC, Malolos, Bulacan. Atty. Santillan contended that the petitioner in Civil Case No. 595-M-2017 had declared in the Certificate of Non-Forum Shopping that a similar petition for the declaration of nullity of marriage had been previously filed in Judge Castañeda's court. Although Judge Castañeda decided on the petition, her decision was not recognized by the Quezon City Civil Registrar due to her suspension at that time. In the absence of any ruling on the validity of the decision, the petitioner lodged another petition for nullity of marriage in a different court in Bulacan.⁸

The records confirmed that Judge Castañeda was suspended from service effective from January 12, 2010, until October 9, 2012, when she was ultimately dismissed.⁹

In compliance with the Court *En Banc*'s Resolution, the OCA, in its letters dated January 3, 2023, addressed to Spouses Bailey and Atty. Santillan, stated that if the cases were decided when Judge Castañeda was suspended from service, from January 12, 2010 until her dismissal on October 9, 2012, such decisions could be declared null and void or expunged by the Court. This is according to the case of *Dr. Alday v. Judge Cruz, Jr.*,¹⁰ where the Court held that decisions, resolutions, orders, and other processes erroneously and improperly issued after a respondent judge was suspended from office may be declared null and void or expunged by the Court.¹¹ However, while the decision in *Alday* suggests that a judgment rendered by a judge under suspension may be declared null and void, and even expunged from the records as it cannot possibly produce any legal effect, the OCA clarified that it does not possess the authority to rule on the validity of the decision rendered

⁵ *Id.* at 3428-3429.

⁶ *Id.* at 3429.

⁷ *Id.* at 3407.

⁸ *Id.*

⁹ *Id.* at 3429.

¹⁰ 426 Phil. 385 (2002) [*Per Curiam, En Banc*].

¹¹ *Rollo*, p. 3429.

by Judge Castañeda and its effect on the similar petition filed in another court. The OCA expressed that its authority is confined to the administrative supervision of lower court officials and personnel.¹²

In a recent Decision in *Flores-Concepcion v. Judge Castañeda*,¹³ the Court dismissed the complaint against Judge Castañeda due to her demise during the pendency of the case.¹⁴ However, the Court did not pass judgment on the validity of the decisions issued when Judge Castañeda was suspended. Consequently, the OCA advised the parties to seek judicial remedies as provided in the Rules of Court to obtain a definitive ruling on the validity of the decisions issued by Judge Castañeda.¹⁵

To recall, in the Resolution, dated January 27, 2015, in A.M. No. RTJ-12-2316 (*OCA v. Hon. Liberty O. Castañeda, Presiding Judge, Atty. Paulino I. Saguyod, Clerk of Court, Lourdes E. Collado, Sheriff, Marylinda C. Doctor, Evelyn B. Antonio, Rosalie P. Sarsagat and Cheryl B. Esteban, Court Stenographers, George P. Clemente, Clerk, Maritoni Florian C. Cervantes, Court Interpreter, and Ruben A. Gigante, Utility Worker, All of Branch 67, Regional Trial Court, Paniqui, Tarlac*), the Court resolved, among other things, to direct the OCA to conduct a thorough investigation into the specifics of each case adjudicated by former Judge Castañeda during her suspension period (*i.e.*, from January 12, 2010 until her dismissal from the service on October 9, 2012) to identify any irregularities in the proceedings, including any instances of corruption, fraud, or bad faith involving any of the parties.¹⁶

Furthermore, in the subsequent Resolution, dated April 21, 2015, in A.M. No. RTJ-15-2404 (*OCA v. Judge Castañeda*), the Court authorized the OCA to take into custody and safeguard the records of the 1,237 cases decided by Judge Castañeda. The OCA also assigned a team to scrutinize the records of these cases and investigate them, per the Court's directive in its Resolution,¹⁷ dated January 27, 2015, in A.M. No. RTJ-12-2316.¹⁸ Out of the 1,237 cases, the OCA team managed to retrieve 1,194 cases that were decided by Judge Castañeda from Atty. Paulino Saguyod, Clerk of Court, Branch 67, RTC, Paniqui, Tarlac, from January 12, 2010 (the time of her suspension) to October 9, 2012 (the time of her dismissal from the service). Out of the 1,194 cases, the team examined 722 cases involving annulment or nullity of marriage. The team also noted that the most significant procedural flaws were found in cases involving Absolute Nullity or Annulment of Void Marriages.¹⁹

¹² *Id.* at 3430.

¹³ 884 Phil. 66 (2020) [Per J. Leonen, *En Banc*].

¹⁴ *Id.* at 116.

¹⁵ *Rollo*, p. 3430.

¹⁶ *Id.*

¹⁷ *Id.* at 3338-3340.

¹⁸ *Id.* at 3430-3431.

¹⁹ *Id.* at 3431.



The Issue

Are the orders and decisions rendered by Judge Castañeda during her suspension null and void and should be expunged from the official judicial records?

The Ruling of the Court

In resolving this issue, the Court must strike a balance between safeguarding procedural integrity and upholding the rights of litigants who have relied in good faith on the decisions issued during her period of suspension. A critical guiding principle in this determination is the recognition that, while judicial authority must be exercised within legal bounds, the disruption of justice and the resultant harm to litigants cannot be overlooked. Therefore, the Court must weigh the need for procedural propriety against the broader goals of equity and justice, ensuring that the dispensation of law remains unsullied by administrative missteps and that the rights of the parties involved are protected.

The *de facto* officer doctrine offers a possible solution to this legal quandary. This doctrine, recognized in our jurisprudence, allows for the validation of acts performed by an individual exercising the duties of an office under color of authority, even if that person was not lawfully entitled to hold the office at the time. It exists as a rule of necessity and public policy, designed to prevent the disruption of governmental and judicial functions. It aims to protect the public and individuals who have relied on the official acts of persons performing duties with apparent authority.²⁰ In this regard, the *de facto* officer doctrine safeguards against the potential chaos that would ensue if all actions taken by improperly seated officers were to be retroactively invalidated.

*The Orders and Decisions issued by
Judge Castañeda as a de facto officer
from March 23, 2010 to June 3, 2011
are deemed valid*

In the case of Judge Castañeda, it is undisputed that she was suspended from office from January 12, 2010 until October 9, 2012.²¹ However, despite her suspension, she continued to issue decisions and orders in her capacity as Presiding Judge of Branch 67, RTC, Paniqui, Tarlac. Specifically, Judge Castañeda rendered decisions from March 23, 2010 to June 3, 2011, while no judicial acts were performed from January 12, 2010 to March 22, 2010, and

²⁰ See *Luna v. Rodriguez*, 37 Phil. 186, 192–193 (1917) [Per J. Johnson, First Division].

²¹ *Rollo*, p. 3429.



from June 4, 2011 to October 9, 2012. During her active period, she adjudicated a total of 1,237 cases, raising serious concerns regarding the legality of these decisions. The Court has received several inquiries questioning the validity of these judicial acts, given that Judge Castañeda was suspended at the time and, therefore, ostensibly lacked the lawful authority to act as a judge.

*Civil Service Commission v. Joson, Jr.*²² traced the historical underpinnings of the concept of a *de facto* officer:

The broad definition of what constitutes an officer *de facto* was formulated by Lord Holt in *Parker v. Kent*, and reiterated by Lord Ellenborough and full King's Bench in 1865 in *Rex v. Bedford Level*, "One who has the reputation of being the officer he assumes and yet is not a good officer in point of law." A *de facto* officer is one who is in *possession of the office and discharging its duties under color of authority*. By color of authority is meant that derived from an election or appointment, however irregular or informal, so that the incumbent is not a mere volunteer. The difference between the basis of the authority of a *de jure* officer and that of a *de facto* officer is that one rests on right, the other on reputation. It may be likened to the difference between character and *reputation*. One is the truth of a man, the other is what is thought of him. It is the color of authority, not the color of title that distinguishes an officer *de facto* from a usurper.²³ (Emphasis supplied, citations omitted.)

The *de facto* officer doctrine, grounded in principles of public policy and necessity, recognizes that while an officer may not hold valid legal title to the office, the actions they perform under the color of authority should not automatically be invalidated, particularly when the public or third parties have relied on their acts. The doctrine has been invoked to prevent disruptions in the functioning of government institutions, including the Judiciary, and to protect the public's confidence in the continuity and stability of governmental processes.²⁴

In *Tayko v. Capistrano*,²⁵ the Court emphasized that the *de facto* officer doctrine was engrafted upon the law as a policy measure to protect the interests of the public and individuals involved in the official acts of persons exercising the duties of an officer without being lawfully entitled to do so. The Court further elaborated that it would be unreasonable to require the public to constantly question the legal title of an officer, as this would lead to confusion and uncertainty in government affairs.²⁶ This reasoning applies with equal force to judicial officers, whose acts carry significant legal consequences, thus:

²² 473 Phil. 844 (2004) [Per J. Callejo, Sr., *En Banc*].

²³ *Id.* at 858–859.

²⁴ *See Arroyo v. Court of Appeals*, 851 Phil. 631, 654 (2019) [Per J. Reyes, Jr., Third Division].

²⁵ 53 Phil. 866 (1928) [Per J. Ostrand, *En Banc*].

²⁶ *Id.* at 872–873.



The rightful authority of a judge, in the full exercise of his public judicial functions, cannot be questioned by any merely private suitor, nor by any other, excepting in the form especially provided by law. A judge *de facto* assumes the exercise of a part of the prerogative of sovereignty, and the legality of that assumption is open to the attack of the sovereign power alone. Accordingly, it is a [well-established] principle, dating from the earliest period and repeatedly confirmed by an unbroken current of decisions, that the official acts of a *de facto* judge are just as valid for all purposes as those of a *de jure* judge, so far as the public or third persons who are interested therein are concerned. The rule is the same in civil criminal cases. *The principle is one founded in policy and convenience, for the right of no one claiming a title or interest under or through the proceedings of an officer having an apparent authority to act would be safe, if it were necessary in every case to examine the legality of the title of such officer up to its original source, and the title or interest of such person were held to be invalidated by some accidental defect or flaw in the appointment, election or qualification of such officer, or in the rights of those from whom his appointment or election emanated; nor could the supremacy of the laws be maintained, or their execution enforced, if the acts of the judge having a colorable, but not a legal title, were to be deemed invalid.*²⁷ (Emphasis supplied)

The doctrine, rooted in fairness and justice, recognizes that the legal rights of individuals should not be imperiled for relying on the acts of an official who appeared to hold valid authority. Drawing from both American and Spanish legal traditions, the Court, in another case involving the authority of a judge, stated the rationale of the doctrine, thus:


It is a universally professed doctrine that the acts of judges considered such by common error, whether there be color or title or not . . . are valid and effective in favor of the public welfare. This, according to the phrase of one law, is the *most humane course, one which can injure no one, and brings no discredit upon the administration of justice.*²⁸ (Emphasis supplied)

Furthermore, in *Republic v. Sereno*,²⁹ the Supreme Court dealt with questions surrounding the validity of the acts of an officer—namely the Chief Justice—who had been allegedly unlawfully appointed. The application of the *de facto officer* doctrine in this case echoes its long-standing purpose: *to uphold the validity of official acts performed by a person who, although later found to be unlawfully holding office, appeared to have the authority at the time of the act.*

²⁷ *Id.*

²⁸ *U.S. v. Abalos*, 1 Phil. 73, 76 (1901) [Per C.J. Arellano, First Division].

²⁹ 831 Phil. 271 (2018) [Per J. Tijam, *En Banc*].



With the continuous reliance on this jurisprudential precept, the Court, in *Tuanda v. Sandiganbayan*,³⁰ required the presence of the following elements for the application of the *de facto* officer doctrine: (1) there must be a *de jure* office; (2) there must be a color of right or general acquiescence by the public; and (3) there must be actual physical possession of the office in good faith.³¹ These elements were later reiterated and applied in the cases of *Re: Nomination of Atty. Chaguile as Replacement for IBP Governor for Northern Luzon, Denis B. Gabawel*³² and *Laud v. People*.³³

The Court finds these three elements that warrant the application of the *de facto* officer doctrine present in this case.

Applying these elements to the present case, it is clear that Judge Castañeda was exercising the duties of a *de jure* office. The position of Presiding Judge of Branch 67, RTC, Paniqui, Tarlac, is an established office, and there is no dispute regarding its legitimacy. Judge Castañeda, though suspended, continued to perform the duties of the office, issuing decisions and orders as if she were still entitled to do so.

The second element—the existence of color of authority—is also satisfied. This means that the officer must have some semblance of authority or reputation for holding the office, which induces the public to rely on their actions as legitimate. In the case of Judge Castañeda, although she was under suspension, she continued to act as the Presiding Judge of Branch 67. There is no indication that the public, including the litigants who appeared before her, were aware of her suspension during this period. The fact that Judge Castañeda continued to perform the functions of a judge and issued decisions in over a thousand cases demonstrates that her actions were accepted by the public and parties appearing before her. This public acquiescence to her authority is crucial in establishing her status as a *de facto* officer.

The final element—actual possession of the office and must perform the duties thereof in good faith—is likewise present. In this context, good faith means that the officer must have a genuine belief, albeit mistaken, that they are entitled to hold the office and exercise its functions. The Court's pronouncement in *Lumayna v. Commission on Audit*,³⁴ as reiterated in *Madera v. Commission on Audit*,³⁵ is instructive:

Furthermore, granting *arguendo* that the municipality's budget adopted the incorrect salary rates, this error or mistake was not in any way

³⁰ 319 Phil. 460 (1995) [Per J. Kapunan, First Division].

³¹ *Id.* at 472.

³² 723 Phil. 39 (2013) [Per J. Leonen, *En Banc*].

³³ 747 Phil. 503 (2014) [Per *Curiam*, First Division].

³⁴ 616 Phil. 929 (2009) [Per J. Del Castillo, *En Banc*].

³⁵ 882 Phil. 744 (2020) [Per J. Caguioa, *En Banc*].



indicative of bad faith. Under prevailing jurisprudence, *mistakes committed by a public officer are not actionable, absent a clear showing that he was motivated by malice or gross negligence amounting to bad faith. It does not simply connote bad moral judgment or negligence. Rather, there must be some dishonest purpose or some moral obliquity and conscious doing of a wrong, a breach of a sworn duty through some motive or intent, or ill will. It partakes of the nature of fraud and contemplates a state of mind affirmatively operating with furtive design or some motive of self-interest or ill will for ulterior purposes.*³⁶ (Emphasis supplied)

In this case, Judge Castañeda did not act with malice or bad faith in continuing to perform her duties during her suspension. She appeared to be acting under the mistaken belief that she was entitled to resume her judicial functions after a certain period, pursuant to her understanding of Rule 2, Section 20 of the Uniform Rules on Administrative Cases in the Civil Service, which provides:


When the administrative case against an officer or employee under preventive suspension is not finally decided by the disciplining authority within the period of 90 days after the date of preventive suspension, unless otherwise provided by special law, he shall be automatically reinstated in the service[.]

Judge Castañeda's reliance on the said rule—providing for automatic reinstatement after a 90-day suspension if no final decision is rendered—supports the argument that she acted under color of authority and in good faith. While this provision does not override the Court's power to suspend judges until the final resolution of administrative cases, it suggests that Judge Castañeda mistakenly believed she was lawfully entitled to return to her duties. This belief, combined with the lack of public awareness regarding her suspension, satisfies the good faith requirement essential for invoking the *de facto* officer doctrine. The presumption of good faith, unless rebutted by clear evidence to the contrary, weighs in her favor.

Assuming *arguendo* that Judge Castañeda's insistence on reinstating herself as Presiding Judge of Branch 67 despite her suspension was tainted by bad faith, it is still pertinent to note that the *de facto* officer doctrine generally hinges on whether the officer exercises the functions of a *de jure* office under a color of authority. Actual physical possession of the office in good faith is sparingly discussed but implied, as exemplified in *Rodriguez, Sr. v. Tan*.³⁷ In that case, although the defendant usurped the plaintiff's Senate seat, the Court allowed the defendant to retain his salary, since he had rendered public service during his tenure. The Court deemed the defendant a *de facto* officer, as he acted under color of authority until ousted by an election protest, suggesting an implicit good faith.

³⁶ *Id.* at 819.

³⁷ 91 Phil. 724 (1952) [Per J. Bautista Angelo, *En Banc*].



Similarly, in *Codilla v. Martinez*,³⁸ the Court emphasized color of authority as the crucial standard, rather than good faith possession, in recognizing a *de facto* officer. This principle also appeared in *Re: Nomination of Atty. Chaguile*, where the officer's good faith was inferred from her lack of involvement in any irregular scheme regarding her appointment.³⁹

In *Laud*, the Court applied the *de facto* officer doctrine based on presumed good faith, in the absence of evidence to the contrary. Likewise, in *Gamboa v. Court of Appeals*,⁴⁰ the Court presumed good faith, ruling that the judge's official acts were valid despite the judge rendering decisions after submitting his resignation, yet before receiving notice of its acceptance. The Court held that the public, and third parties, are unaffected by the judge's prior unofficial knowledge of his resignation's acceptance, implying good faith possession of office.⁴¹

It is evident that good faith possession is not always a determining factor in the Court's application of the *de facto* officer doctrine. Often, good faith is presumed or used as a conclusory statement, particularly in cases concerning a *de facto* officer's entitlement to the salaries of the *de jure* office. For instance, in *Civil Liberties Union v. Executive Secretary*,⁴² the Court invalidated an executive order allowing cabinet members to hold multiple offices, but nevertheless recognized the officials as *de facto* officers entitled to emoluments for services rendered. The ruling underscored that where there is no *de jure* officer, a *de facto* officer who discharges the duties of the office in good faith is entitled to the corresponding emoluments, based on principles of equity.⁴³

However, in *Monroy v. Court of Appeals*,⁴⁴ the Court held that a *de facto* officer takes salaries at their own risk and must account for them to the *de jure* officer. The general rule favors the *de jure* officer recovering salaries from the *de facto* officer during the latter's wrongful tenure. The *de facto* officer doctrine, though formulated to protect the public from invalidating official acts performed by someone discharging the duties of office, does not guarantee the retention of salaries by a *de facto* officer.

In *Arimao v. Taher*,⁴⁵ the Court revisited the rulings in *Monroy* and *Civil Liberties Union*, maintaining that a *de facto* officer must account for salaries received during wrongful retention. Yet, where there is no *de jure*

³⁸ 110 Phil. 24 (1960) [Per J. Bautista Angelo, *En Banc*].

³⁹ *Re: Nomination of Atty. Chaguile as Replacement for IBP Governor for Northern Luzon, Denis B. Gabawel*, 723 Phil. 39, 63 (2013) [Per SAJ Leonen, *En Banc*].

⁴⁰ 194 Phil. 624 (1981) [Per J. Guerrero, First Division].

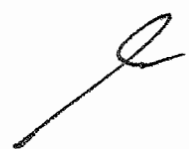
⁴¹ *Id.* at 636.

⁴² 272 Phil. 147 (1991) [Per C.J. Fernan, *En Banc*].

⁴³ *Id.* at 172; see also *Malaluan v. COMELEC*, 324 Phil. 676 (1996) [Per J. Hermosisima, Jr., *En Banc*].

⁴⁴ 127 Phil. 1 (1967) [Per J. Bengzon, *En Banc*].

⁴⁵ 529 Phil. 732 (2006) [Per J. Tinga, Third Division].



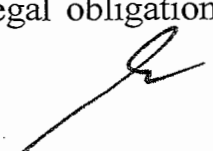
officer, the *de facto* officer may keep emoluments, as affirmed in *Civil Liberties Union*. These rulings reaffirm that while color of authority determines *de facto* status, good faith is not always conclusive in assessing the validity of the officer's actions. The doctrine's primary purpose is to protect the public from disruptions in governance caused by irregularities in an officer's title. To limit the doctrine's applicability solely to cases involving good faith possession would render this objective nugatory and diminish its broader protective function.

While the *de facto* officer doctrine provides a legal basis for validating the acts of Judge Castañeda during her suspension, the Court also considers the broader implications of its ruling. Judicial decisions, by their nature, affect the rights and interests of litigants who rely on the authority of the judge rendering such decisions. If the acts of *de facto* judges were to be invalidated due to defects in their title or authority, the legal system would plunge into disorder, with numerous cases potentially reopened, judgments set aside, and the integrity of the judicial process undermined. Thus, to retroactively invalidate over 1,200 decisions rendered by Judge Castañeda would not only cause significant harm to the parties involved, but would also undermine the stability and integrity of the judicial process.

Furthermore, the Court has consistently upheld the principle that litigants should not be penalized for administrative errors or defects in the authority of judicial officers. The case of Judge Castañeda presents a compelling situation where the public and litigants relied on her decisions during a period when her authority was impaired. To reiterate, invalidating her actions retroactively would create a cascade of consequences, potentially reopening cases and undermining the stability of judgments rendered during this period. The *de facto* officer doctrine thus serves the broader goal of maintaining judicial order, protecting the rights of parties who have acted in good faith, and preserving the integrity of the judicial process. The Court, therefore, upholds the validity of Judge Castañeda's acts during the suspension period.

The Orders and Decisions issued by Judge Castañeda from March 23, 2010 to June 3, 2011 are likewise deemed valid through analogous application of the operative fact doctrine

The operative fact doctrine is an equitable principle that mitigates the retroactive effects of a declaration of nullity. The doctrine applies when the nullification of an act would result in unfairness or injustice, particularly when individuals or the public have relied on the invalid act in good faith. In numerous cases, the Court has held that the doctrine of operative fact recognizes that while an invalid law or act cannot create legal obligations



going forward, its effects prior to its invalidation may still be given legal recognition to avoid undue prejudice to parties who acted in good faith.

In *Commissioner of Internal Revenue v. San Roque Power Corporation*,⁴⁶ citing *Serrano de Agbayani v. Philippine National Bank*,⁴⁷ the Court had extensively discussed the metes and bounds of the operative fact doctrine:

The general rule is that a void law or administrative act cannot be the source of legal rights or duties. Article 7 of the Civil Code enunciates this general rule, as well as its exception: "Laws are repealed only by subsequent ones, and their violation or non-observance shall not be excused by disuse, or custom or practice to the contrary. When the courts declared a law to be inconsistent with the Constitution, the former shall be void and the latter shall govern. Administrative or executive acts, orders and regulations shall be valid only when they are not contrary to the laws or the Constitution."

The doctrine of operative fact is an exception to the general rule, such that a judicial declaration of invalidity may not necessarily obliterate all the effects and consequences of a void act prior to such declaration. In Serrano de Agbayani v. Philippine National Bank, the application of the doctrine of operative fact was discussed as follows:

The decision now on appeal reflects the orthodox view that an unconstitutional act, for that matter an executive order or a municipal ordinance likewise suffering from that infirmity, cannot be the source of any legal rights or duties. Nor can it justify any official act taken under it. Its repugnancy to the fundamental law once judicially declared results in its being to all intents and purposes a mere scrap of paper. As the new Civil Code puts it: "When the courts declare a law to be inconsistent with the Constitution, the former shall be void and the latter shall govern. Administrative or executive acts, orders and regulations shall be valid only when they are not contrary to the laws of the Constitution." It is understandable why it should be so, the Constitution being supreme and paramount. Any legislative or executive act contrary to its terms cannot survive.

Such a view has support in logic and possesses the merit of simplicity. It may not however be sufficiently realistic. It does not admit of doubt that prior to the declaration of nullity such challenged legislative or executive act must have been in force and had to be complied with. This is so as until after the judiciary, in an appropriate case, declares its invalidity, it is entitled to obedience and respect. Parties may have acted under it and may have changed their positions. What could be more fitting than that in a subsequent litigation regard be had to what has been

⁴⁶ 719 Phil. 137 (2013) [Per J. Carpio, *En Banc*].

⁴⁷ 148 Phil. 443 (1971) [Per J. Fernando, *En Banc*].



done while such legislative or executive act was in operation and presumed to be valid in all respects. It is now accepted as a doctrine that prior to its being nullified, its existence as a fact must be reckoned with. This is merely to reflect awareness that precisely because the judiciary is the governmental organ which has the final say on whether or not a legislative or executive measure is valid, a period of time may have elapsed before it can exercise the power of judicial review that may lead to a declaration of nullity. It would be to deprive the law of its quality of fairness and justice then, if there be no recognition of what had transpired prior to such adjudication.

In the language of an American Supreme Court decision: "The actual existence of a statute, prior to such a determination of unconstitutionality, is an operative fact and may have consequences which cannot justly be ignored. *The past cannot always be erased by a new judicial declaration. The effect of the subsequent ruling as to invalidity may have to be considered in various aspects, with respect to particular relations, individual and corporate, and particular conduct, private and official.*" This language has been quoted with approval in a resolution in *Araneta v. Hill* and the decision in *Manila Motor Co., Inc. v. Flores*. An even more recent instance is the opinion of Justice Zaldivar speaking for the Court in *Fernandez v. Cuerva and Co.*⁴⁸ (Emphasis supplied, citations omitted)


Clearly, the Court explained the rationale behind the operative fact doctrine, stating that "the past cannot always be erased by a new judicial declaration." The doctrine aims to prevent undue harshness and inequity that would arise if all actions taken under an invalid law were automatically nullified. As such, the doctrine acknowledges the practical reality that void acts, particularly those of public officials, may still produce legal effects that must be recognized to avoid injustice.

For the operative fact doctrine to apply, two essential conditions must be present: (1) there must be a legislative or executive measure (such as a law or executive issuance) that is later declared invalid; and (2) there must have been reliance on the invalid measure in good faith by individuals or the public.⁴⁹

The question now arises: *may the operative fact doctrine, which traditionally applies to legislative and executive acts, be extended to judicial acts performed by a judge who lacks lawful authority due to suspension?* The answer lies in the purpose and underlying rationale of the doctrine itself, which is to prevent inequity and injustice to parties who rely on official acts

⁴⁸ *Commissioner of Internal Revenue v. San Roque Power Corp.*, 719 Phil. 137, 157–158 (2013) [Per J. Carpio, *En Banc*].

⁴⁹ *Id.* at 158.



in good faith, regardless of the source of the void act—whether legislative, executive, or judicial. While the doctrine traditionally applies to legislative or executive acts, its principles may be analogously applied to judicial acts performed under a color of authority that are later nullified.

In the case of Judge Castañeda, her suspension rendered her judicial acts void, as she lacked the authority to adjudicate cases or issue decisions during the period of suspension. However, the litigants who appeared before her and the parties affected by her decisions had no knowledge of her suspension and relied on her judicial acts in good faith. These parties acted under the presumption that her authority was legitimate, and to invalidate her decisions retroactively would cause undue harm to their rights and interests.

While our jurisprudence has yet to definitively apply the operative fact doctrine to judicial acts, the principles of equity and fairness underlying the doctrine are equally applicable in this context. Just as individuals who rely on a void executive or legislative act should not be unduly penalized, so too should litigants who relied on a judge's decisions in good faith not suffer the consequences of a suspension they had no knowledge of. The doctrine of operative fact provides a legal mechanism for recognizing the validity of the judicial decisions rendered by Judge Castañeda during her suspension, insofar as they affected the rights of third parties who relied on them in good faith. Thus, this legal and equitable doctrine that was developed in relation to void executive and legislative acts should, by analogy, extend to judicial acts, ensuring that justice is served for all parties involved.

The *de facto* officer doctrine and the operative fact doctrine share common principles, particularly in preserving legal stability and protecting the rights of individuals who rely on official acts performed under color of authority. While the *de facto* officer doctrine validates the acts of a public officer who appears to hold office legitimately, the operative fact doctrine validates the effects of void acts performed under such authority.

In the present case, the *de facto* officer doctrine may validate the acts of Judge Castañeda during her suspension by treating her as a *de facto* judge who continued to exercise her judicial functions under color of authority. The operative fact doctrine complements this by recognizing the legal effects of her decisions, particularly where third parties have relied on them in good faith. Together, these doctrines balance the need for judicial accountability with the protection of litigants' rights and the preservation of legal certainty.

Several judicial precedents have consistently recognized the role of the operative fact doctrine in situations where invalid acts have given rise to consequences that cannot be easily unwound without inflicting injustice. In *Film Development Council of the Philippines v. Colon Heritage Realty*



Corporation,⁵⁰ the Court applied the operative fact doctrine to shield individuals who had acted in compliance with Republic Act No. 9167, a law later declared unconstitutional. The Court ruled that the parties involved, having acted in good faith, should not be compelled to return the funds they had lawfully received under the now-invalidated statute.⁵¹ The Court emphasized that the doctrine operates to preserve the effects of acts that have become part of the legal landscape, particularly where the parties have reasonably relied on them.

Similarly, in *League of Cities of the Philippines v. COMELEC*,⁵² the Court applied the operative fact doctrine and upheld the legal effects of the cityhood laws prior to their nullification, recognizing the validity of actions performed by the newly created cities under these laws, such as the payment of salaries and the issuance of contracts.⁵³ This case reaffirmed the principle that once void acts have engendered legal relations and expectations, it may be inequitable to unravel these acts, especially where third parties relied on them in good faith.

These cases illustrate that the operative fact doctrine is a well-established principle of equity that serves to protect individuals and the public from the harsh consequences of retroactive nullification. While these cases involve legislative acts, the principles articulated by the Court are equally applicable to judicial acts, particularly where the invalidity of the judge's authority was unknown to the litigants who relied on his or her decisions in good faith.

Thus, the case of Judge Castañeda presents a compelling scenario for the analogous application of the operative fact doctrine to judicial acts. While her suspension rendered her judicial acts void, the effects of those acts should not be automatically nullified, particularly where third parties relied on them in good faith. The operative fact doctrine, as an exception to the general rule that void acts are a nullity, provides a legal framework for recognizing the validity of Judge Castañeda's decisions during her suspension, insofar as they affected the rights of litigants who were unaware of her lack of authority.

In view of the equitable and fair principles that undergird both the *de facto* officer and operative fact doctrines, the Court finds it proper to uphold the validity of the decisions and orders issued by Judge Castañeda during her period of suspension. The litigants who appeared before her acted in good faith, unaware of her incapacity, and relied on the apparent judicial authority she continued to exercise. To nullify her judicial acts retroactively would not only disrupt the orderly administration of justice, but also inflict considerable

⁵⁰ 865 Phil. 384 (2019) [Per J. Perlas-Bernabe, *En Banc*].

⁵¹ *Id.* at 396.

⁵² 643 Phil. 202 (2010) [Per J. Carpio, *En Banc*].

⁵³ *Id.* at 215.



injustice upon the parties who, through no fault of their own, trusted in the legitimacy of her actions.


ACCORDINGLY, the Orders and Decisions rendered by Judge Liberty O. Castañeda, formerly the Presiding Judge of Branch 67, Regional Trial Court of Paniqui, Tarlac, acting as a *de facto* officer during her suspension from January 12, 2010 to October 9, 2012, are declared **VALID**. Let a copy of this Resolution be furnished to the parties concerned, and the same shall be duly entered into the records of the covered cases.

SO ORDERED.



MARIA FILOMENA D. SINGH
Associate Justice

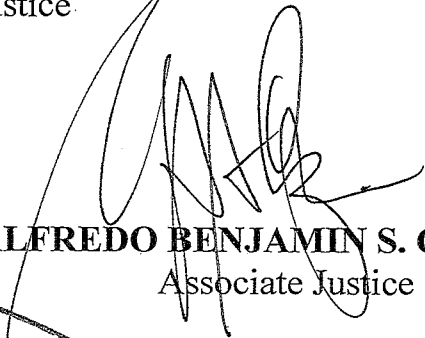
WE CONCUR:



ALEXANDER G. GESMUNDO
Chief Justice



MARVIC M.V.F. LEONEN
Senior Associate Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

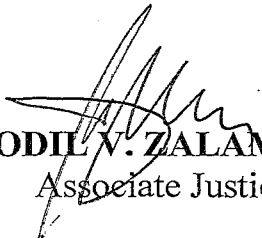
On Official Business
RAMON PAUL L. HERNANDO
Associate Justice



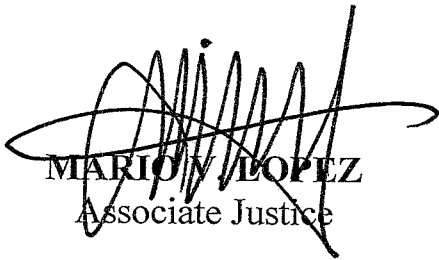
AMY C. LAZARO-JAVIER
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice



RODIL V. ZALAMEDA
Associate Justice



MARIO V. LOPEZ
Associate Justice

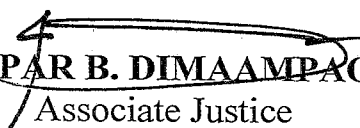
On Official Leave
SAMUEL H. GAERLAN
Associate Justice



RICARDO R. ROSARIO
Associate Justice



JHOSEP V. LOPEZ
Associate Justice



JAPAR B. DIMAAMPAO
Associate Justice

No Part
JOSE MIDAS P. MARQUEZ
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice