

### Title:

\*\*Manila Surety & Fidelity Co., Inc. v. Valentin R. Lim\*\*

### Facts:

The case revolves around a series of legal proceedings leading to the Manila Surety & Fidelity Co., Inc. (plaintiff-appellee) paying Valentin R. Lim (defendant-appellant) P1,015.01 following a writ of execution, an order the Supreme Court later declared null and void. Initially, on February 26, 1946, Valentin R. Lim won a judgment in a case (No. 32) ordering Irineo Facundo to vacate certain premises and pay monthly rentals until vacating. Facundo responded by filing a special civil action for certiorari and prohibition, resulting in a preliminary injunction against Lim upon posting a bond of P1,000 by Manila Surety & Fidelity Co., Inc. The Court of First Instance of Rizal later dismissed this case.

Lim sought damages for uncollected rentals due to the injunction, leading to the lower court's order to confiscate the bond and pay Lim P1,000. This order was contested and ultimately rendered null by the Supreme Court, stating that damages must be ascertained and awarded in the final judgment, not after it becomes final and executory. Despite this, the Manila Surety & Fidelity Co., Inc., compelled by a writ of execution, paid the amount to Lim, which they later sought to recover when the Supreme Court nullified the writ of execution.

### Issues:

1. Whether the lower court erred in ordering Valentin R. Lim to return the sum of P1,000 to Manila Surety & Fidelity Co., Inc.
2. If reasons of equity entitled Valentin R. Lim to retain the payment delivered to him following the order set aside by the Supreme Court.
3. Whether the court of the original action had jurisdiction over the present appeal seeking the return of the delivered amount.

### Court's Decision:

The Supreme Court upheld the decision of the lower court, ordering Valentin R. Lim to return the P1,000 payment to Manila Surety & Fidelity Co., Inc. The ruling was articulated on the basis that the payment was not voluntary but compelled by a writ of execution later declared null. The Court rejected the application of natural obligations and solutio indebiti as argued by Lim, emphasizing that the writ of execution under which the payment was made was void, making the execution and payment null as well.

The Court also dismissed Lim's contention regarding jurisdiction, affirming that the action for the sum of money was rightfully filed in Manila where the parties resided, according to Rule 5 of the Rules of Court.

### ### Doctrine:

The case reiterated the doctrine that damages caused by the issuance of a preliminary injunction must be adjudicated in the final judgment rendered in the case, not after it becomes final and executory. Moreover, it emphasized that payments made under a writ of execution later declared null and void can be reclaimed, supporting the principle that nullity of the underlying judgment extends to executions and payments arising from it.

### ### Class Notes:

#### Key Concepts:

- **\*\*Preliminary Injunction Damages\*\***: Must be determined and awarded within the final judgment of the case to which it pertains.
- **\*\*Void Writ of Execution\*\***: Payments made under a writ that is later declared null can be subject to recovery.
- **\*\*Jurisdiction\*\***: Civil actions for sums of money can be commenced where any of the parties reside, under Rule 5 of the Rules of Court.

#### Relevant Legal Statutes & Provisions:

- **\*\*Rule 60, Section 9 in connection with Rule 59, Section 20 of the Rules of Court\*\***: Context for awarding damages in injunction cases.
- **\*\*Rule 5 of the Rules of Court\*\***: Determines the jurisdiction for filing civil actions based on residency of the parties.

#### Application:

This case is pivotal for understanding how damages related to injunctions should be handled within the final judgments and the consequences of actions under null writs of execution. It provides a cautionary tale on the execution process and clarifications on jurisdictional issues in civil actions.

### ### Historical Background:

The case encapsulates the procedural intricacies and judicial principles governing civil litigation in the Philippines, particularly focusing on the enforcement of judgments, the doctrine of finality of judgments, and the issuance and consequences of writs of execution. It revisits and reinforces judicial standards, ensuring that damages are accurately determined

within the bounds of the final judgment to prevent subsequent disputes and actions based on void orders.