

****Title:**** Philippine Airlines, Inc. v. Hon. Court of Appeals, et al.: A Discourse on Execution and Satisfaction of Judgments

****Facts:****

The case centers on the issuance of an alias writ of execution by the Court of First Instance of Manila, Branch XIII, presided over by Judge Ricardo D. Galano. This legal action traces its roots back to November 8, 1967, when Amelia Tan, operating under Able Printing Press, filed a complaint for damages against Philippine Airlines, Inc. (PAL). On June 29, 1972, the court ruled in favor of Tan, awarding her damages and attorney's fees, while dismissing counterclaims by PAL.

PAL appealed the decision to the Court of Appeals, which modified the damages awarded but ultimately affirmed the lower court's judgment. The appellate court's judgment became final and executory on May 31, 1977, leading to a motion for the issuance of a writ of execution by Tan. The original writ, issued and referred to Deputy Sheriff Emilio Z. Reyes, remained unsatisfied, prompting Tan to move for an alias writ of execution.

PAL opposed the motion, citing full payment to Deputy Sheriff Reyes as evidenced by cash vouchers. However, the disappearance of Reyes led to the court's issuance of the first alias writ of execution on May 18, 1978. PAL contested this through a motion to quash, raising concerns about the absence of an original writ's return, the validity of payment to the executing officer, and the imposition of interest.

****Issues:****

1. Can an alias writ of execution be issued without a return of the original writ by the executing officer?
2. Does payment to the implementing officer constitute satisfaction of judgment?
3. Is interest payable when the decision is silent on its imposition?
4. Does Section 5, Rule 39 apply exclusively to the levy and sale of judgment debtor's property to satisfy a judgment?

****Court's Decision:****

The Supreme Court affirmed the issuance of the alias writ of execution, addressing each issue as follows:

1. ****Alias Writ Issuance Without Original Writ's Return:**** The Court justified the issuance under the exceptional circumstance of the executing officer's disappearance, emphasizing that a judgment should not be rendered illusory due to technicalities.

2. ****Payment to Implementing Officer:**** The Court ruled that payment to Deputy Sheriff Reyes by checks, which were encashed, did not constitute valid payment toward satisfaction of the judgment debt as checks were made out in his name, not the judgment creditor's.
3. ****Interest Imposition:**** The Court found no error in including interest in the alias writ of execution, deeming it logical given PAL's liability for both lost checks and interest. The appellate court's decision did not supersede but modified the lower court's judgment regarding damages.
4. ****Application of Section 5, Rule 39:**** The Court maintained the trial court's approach, emphasizing that execution could not be equated with satisfaction of the judgment since the judgment debt remained legally unsatisfied.

****Doctrine:****

- The decision reiterates the principle that a judgment should not be rendered illusory or incapable of execution due to procedural technicalities. It highlights the necessity for discretion in execution proceedings, especially under unusual circumstances.
- Payment via negotiable instruments only produces the effect of payment when they have been cashed or when the creditor's action has impaired them (Art. 1249, Civil Code).

****Class Notes:****

- ****Alias Writ of Execution:**** Can be issued even without the return of the original writ under exceptional circumstances to ensure that the judgment is executed.
- ****Payment to Implementing Officer:**** Payment to satisfy a judgment debt must be made in the proper manner and to the right party; payment via checks made out to a third party (e.g., a sheriff) does not constitute legal tender nor satisfy the debt.
- ****Interest on Judgment Debts:**** Interest may be included in the execution of a judgment when the underlying liability and procedural context justify its imposition.
- ****Execution vs Satisfaction of Judgment:**** Execution refers to the process of enforcing a judgment, while satisfaction refers to the actual fulfillment of the judgment debt. The two are distinct, and execution does not equate to automatic satisfaction.

****Historical Background:****

This case emphasizes the challenges in procedural law concerning the execution of judgments in the Philippines. It showcases the interplay between ensuring the effective enforcement of court judgments and the need for safeguards against procedural missteps and misconduct by court officers. The decision underscores a critical balance between strict adherence to procedural rules and the equitable administration of justice.