

Title:

Zenaida M. Palma vs. Honorable Court of Appeals and Products, Inc.: A Discourse on Procedural Remedies and Property Execution

Facts:

The sequence of events unfolded as follows:

1. Reynaldo S. Palma and Zenaida M. Palma purchased two Hino Diesel Trucks on installment from Products, Inc., totaling P104,112.00, secured with promissory notes and a chattel mortgage.
2. After failing to meet installment payments, a complaint with a prayer for a writ of preliminary attachment was filed by Products, Inc. on April 14, 1967.
3. The Court issued an order for attachment against the Palmas' properties on April 19, which was executed in June, leading to the attachment of one truck and parts of the other, as well as a real property owned by the Palmas.
4. The Palmas were declared in default for failing to answer the complaint, leading to an ex parte presentation of evidence and the eventual judgment against them for the debt plus additional costs.
5. Subsequent to the judgment, the Palmas filed a Petition for Relief from Judgment, which the trial court denied, maintaining the judgment's enforcement.

This matter escalated through various legal actions, including the issuance and execution of writs, motions for and against the confirmation of sale of the attached property, and petition for relief from the executed judgment. The case concluded with the confirmation of the sheriff's sale of the Palmas' property after their failure to redeem it within the statutory period.

Issues:

1. Whether there was proper service of summons.
2. The legality and execution of the writ of execution and the auction sale thereof.
3. The application of Article 1484 of the Civil Code on the remedies of the vendor in installment sales.
4. Procedural aspects concerning the validity of the property's attachment and sale.
5. The assertion of due process rights in the appellate handling of the case.

Court's Decision:

The Supreme Court denied Zenaida M. Palma's petition and affirmed the decision of the

Court of Appeals, addressing each issue conclusively:

1. ****Service of Summons****: The Court found no merit in the petitioner's claim of improper service. Moreover, it held that the petitioner had subjected herself to the court's jurisdiction by filing a Petition for Relief from Judgment.
2. ****Writ of Execution and Public Auction****: Given the judgment had become final and executory (unchallenged within the appeal period), execution was deemed a matter of right, rejecting the petitioner's contention against it.
3. ****Article 1484, Civil Code****: The Court identified that Products, Inc. exercised its right for specific performance over foreclosure or cancellation, making the collection of the full amount due appropriate without deducting the value of the attached trucks.
4. ****Validity of Attachment and Sale****: The Court recognized the legitimate attachment, leading to the enforceable sale of the Palmas' property post their failure to redeem it.
5. ****Due Process in Appellate Proceedings****: Dismissed the allegation of due process violation during the appellate procedure as unfounded, noting that the appellate court indeed addressed the petitioner's motions.

Doctrine:

This case reiterates the following legal principles:

- The binding effect of final and executory judgments and the ministerial duty of courts to execute such judgments.
- The comprehensive scope of remedies available under Article 1484 of the Civil Code in installment sales, emphasizing the vendor's right to choose a remedy.
- The legal significance of attachment as a proceeding in rem, affording specific lien and right to the attaching creditor.

Class Notes:

- ****Final and Executory Judgments****: Under the Revised Rules of Court, execution shall issue as a matter of right upon a judgment that finally disposes of an action if no appeal has been duly perfected.
- ****Article 1484, Civil Code****: Offers vendors three remedies in installment sales when vendees default, emphasizing the exclusive nature of these remedies and the absence of further action against the purchaser upon choosing foreclosure.

- ****Writ of Attachment****: Acts as a legal mechanism to hold property as security for the satisfaction of a potential future judgment, having preeminence over subsequent transactions once duly registered.

Historical Background:

This case underscores the significance of procedural adherence and the consequences of default in commercial transactions. It delineates the boundary between the vendor's choice of remedy under installment sales and the judicial deference to executed final judgments, reflective of the broader legal principles concerning contracts' enforcement and property execution within the Philippine legal system.