

Title:

Johnson & Johnson (Phils.), Inc. vs. Court of Appeals and Alejo M. Vinluan

Facts:

Johnson & Johnson (Phils.), Inc. filed a complaint against spouses Delilah A. Vinluan and Alejo M. Vinluan to collect a debt of PHP 230,880.89. Delilah Vinluan had incurred this debt by purchasing products from Johnson & Johnson. She issued seven checks which were later dishonored due to insufficient funds. Despite demands for payment, only a partial payment of PHP 5,000.00 was made by the defendants. The case (Civil Case No. 4186) was tried at the Regional Trial Court of Makati, Branch 137, which ruled solely against Delilah Vinluan, holding her liable for PHP 242,482.40, plus 2% monthly interest, penalty charges, attorney's fees of PHP 30,000.00, and costs, emphasizing that Alejo had no involvement in the incurred debt. Execution of this final judgment led to a levy on both the paraphernal and conjugal properties, despite the initial judgment's exclusion of these from liability. Alejo Vinluan filed third-party claims contesting the levy on the conjugal properties, leading to further litigation and conflicting orders from the trial court concerning the application and execution of the judgment. Ultimately, these orders were contested at the Court of Appeals, which ruled in favor of Alejo Vinluan, annulling the levy on the conjugal properties.

Issues:

1. Whether the decision exonerating Alejo Vinluan from his wife's debt also absolved the conjugal partnership from liability.
2. Whether the trial court's orders on July 24, 1989, and October 4, 1989, effectively reversed its initial judgment.
3. Whether the trial court's order denying the third-party claim and allowing levy on conjugal property was proper.

Court's Decision:

The Supreme Court upheld the decision of the Court of Appeals, which ruled that the levying of conjugal properties was improper. The Court noted that:

1. ****On Exoneration of Conjugal Partnership****: The final judgment of February 5, 1985, clearly declared Delilah Vinluan solely liable and did not implicate Alejo Vinluan or the conjugal properties. The trial court's subsequent actions attempting to levy properties did not conform to this final judgment's dispositive portion.
2. ****On Erroneous Orders****: The orders of July 24, 1989, and October 4, 1989, revisited the

final judgment, which was impermissible as it had already attained finality. The Court emphasized the immutability and unalterability of final judgments.

3. **On Levying Conjugal Property**: The sheriff wrongly levied upon the conjugal properties. The Supreme Court reiterated that only properties unquestionably belonging to the judgment debtor (Delilah Vinluan's paraphernal properties) could be levied.

Doctrine:

1. **Immutability of Final Judgments**: Once a judgment has attained finality, it becomes immutable and unalterable except for correcting clerical errors (Korean Airlines Co., Ltd. vs. Court of appeals, 247 SCRA 599).

2. **Restrictive Interpretation on Judgment Execution**: The enforcement of judgments must strictly conform to the dispositive portion of the decision, and the scope cannot be expanded upon execution (Republic vs. Enriquez, 166 SCRA 608).

Class Notes:

1. **Conjugal Property Liability**: Debts contracted by one spouse are not automatically chargeable to the conjugal partnership unless proven to benefit the family or had the consent of the other spouse.

2. **Execution of Final Judgments**: Protective measures for judgment execution ensure only the designated debtor's properties are levied, preserving finality of decided cases.

3. **Legal Doctrines**: Familiarize with doctrines on final judgments and execution to avoid legal pitfalls in post-judgment proceedings.

Historical Background:

During the time the case took place, there was evolving jurisprudence on the liability of conjugal properties for debts incurred by one spouse. The recent implementation of the Family Code of 1988 in the Philippines emphasized more on protecting conjugal assets unless it was clear that the conjugal partnership benefited from the debt. This case exemplified a trial court's erroneous application and interpretation of these evolving protections which the higher courts corrected, reinforcing the principles of finality and proper interpretation of the law.