

Title: Francisco Jose et al. v. Jose C. Zulueta et al. (112 Phil. 470)

Facts:

- Initial Judgment:** In Civil Case No. 11927, the Court of First Instance of Manila ordered Jose C. Zulueta to pay George Edward Koster, Inc. the sum of P46,093.77 with interest on specified amounts from the dates of September 27, 1949, and December 8, 1949.
- Affirmation by Higher Courts:** The decision was affirmed by the Supreme Court and became final and executory. A writ of execution was issued on December 28, 1956.
- Payment:** On April 27, 1957, Zulueta paid the principal sum of P46,093.77 to J. A. Wolfson, the liquidator of George Edward Koster, Inc., who acknowledged receipt in full satisfaction of the principal obligation with no mention of interest.
- Partial Satisfaction:** The Sheriff noted the writ of execution was partially satisfied, and the corporation later transferred its rights to the unpaid balance (interest) of the judgment to Exchange Investment, Ltd.
- Alias Writ of Execution:** Exchange Investment, Ltd. was substituted as the judgment creditor and later petitioned for an alias writ of execution to collect the unsatisfied interest. The Court issued this alias writ on January 16, 1959.
- Injunction:** Zulueta opposed, arguing condonation of the interest, and after adverse rulings, filed for certiorari in the Court of Appeals, which granted a preliminary injunction against the enforcement of the alias writ.
- Court of Appeals Decision:** The appellate court held that the interest had been condoned and set aside the alias writ of execution, making the preliminary injunction permanent.

Issues:

- Condonation of Interest:** Whether the interest payable by Zulueta was condoned.
- Proper Remedy:** Whether the Court of Appeals correctly entertained the petition for certiorari when an appeal was the appropriate remedy.

Court's Decision:

1. **On Condonation of Interest:**

- The Supreme Court did not directly address the condonation issue in its decision. Instead, it focused on procedural errors, implying that respondent Zulueta failed to appeal the trial court's orders within the prescribed period and improperly sought certiorari as a remedy.

2. **On Proper Remedy:**

- The Supreme Court ruled that the petition for certiorari was improper because Zulueta had an adequate remedy through an appeal, which he did not utilize within the allowed timeframe.

- It emphasized that certiorari could only be used when there was no appeal or other adequate remedy available, and noted that the right to appeal had already been forfeited by Zulueta due to his own inaction.

The decision of the Court of Appeals was reversed, and the orders of the Court of First Instance (dated January 16, 1959, and March 12, 1959) were affirmed. The interest payable under the judgment was not deemed condoned, and the alias writ of execution was upheld.

Doctrine:

1. **Use of Certiorari:** Certiorari is not a substitute for an appeal. It is only available when there is no appeal or other adequate remedy, and the tribunal or officer has acted without or in excess of jurisdiction or with grave abuse of discretion. In this case, the procedural remedy was an appeal, which was not pursued in a timely manner by the respondent.

Class Notes:

1. **Certiorari vs. Appeal:**

- **Rule 67, Section 1:** Certiorari is appropriate when there is no appeal or other adequate remedy and the lower court has exceeded its jurisdiction or acted with grave abuse of discretion.

- Proper use and timing of appeals versus extraordinary writs are crucial.

2. **Final and Executory Judgments:**

- Once a judgment becomes final and executory, procedural correctness in enforcement, including satisfaction of all demands including statutory interest, is crucial.

3. **Interest and Principal Payments:**

- Payments on judgments need clear delineations of what they cover, especially concerning

interest and principal, to avoid disputes over partial satisfactions.

4. **Statutory References:**

- Article 1176 of the new Civil Code: Presumption of interest payment unless proved otherwise.

Historical Background:

This decision must be viewed within the context of post-WWII Philippine jurisprudence where financial settlements and corporate liquidations were common. The case reflects the judiciary's evolving interpretation of procedural law, specifically concerning post-judgment enforcement and the proper channels for legal recourse.