

Seavan Carrier, Inc. and Renato Gacho y Abad vs. GTI Sportswear Corporation

Citation: 222 Phil. 103

Facts:

1. **Initial Litigation**: GTI Sportswear Corporation, originally named GTI Garments International Corp., and Seavan Carrier, Inc. were involved in a civil case (Civil Case No. R-83-3585) filed before the defunct Court of First Instance of Manila. GTI sued for recovery of a sum of money and damages.
2. **Trial Court Decision**: On September 14, 1981, the trial court ruled in favor of GTI, ordering Seavan to pay:
 - P182,053.92 for the value of lost merchandise.
 - P160,755.00 for customs duties.
 - P2,400,000.00 for loss of goodwill.
 - 20% of the total as attorney's fees, plus costs.
3. **Appeal and Partial Execution**: Seavan sought reconsideration and limited review (G.R. No. 62130) with the Supreme Court, questioning the excessive damages awarded. The Supreme Court allowed limited due course for review of the P2,400,000.00 goodwill damages but upheld the other awards and permitted partial execution.
4. **Execution Proceedings**: The trial court issued a partial execution order. The clerk of court and the deputy sheriff set a public auction on March 21, 1983. GTI won the auction with a P462,000.00 bid for eleven trucks.
5. **Collateral Agreement**: On April 11, 1983, both parties entered into an agreement allowing Seavan 45 days to pay the full judgment amount to reclaim the trucks.
6. **Certificate of Sale & Motion for Protective Order**: On April 12, 1983, a certificate of sale was issued to GTI. Later, Seavan claimed a demand of P1,014,585.84 by GTI exceeded the judgment, prompting an urgent motion for a protective order on April 25, 1983.
7. **Trial Court's Denial**: The trial court denied the motion on May 30, 1983, and subsequent motion for reconsideration on August 12, 1983, stating it lost jurisdiction upon the issuance of the certificate of sale.
8. **Appeal Denial**: Seavan's notice of appeal was denied on October 26, 1983.

9. **Supreme Court Modification**: On September 28, 1984, the Supreme Court modified the original decision, deleting the P2,400,000.00 goodwill damages but maintaining other awards.

Issues:

1. **Jurisdiction Over Execution Proceedings**: Whether the trial court lost jurisdiction after partial satisfaction of the judgment.
2. **Propriety of Demand Amount**: Validity of GTI's demand allegedly in excess of the judgment amount.
3. **Obligation to Pay Customs Duties without Proof of Payment**: Whether Seavan could be obligated to pay P160,155.00 for customs duties without proof of actual payment by GTI.

Court's Decision:

Jurisdiction Over Execution Proceedings: The Supreme Court ruled the trial court retained supervisory control over execution proceedings. The certificate of sale for P462,000.00 was partial satisfaction, not full, thus not terminating the court's jurisdiction.

Amount Demanded: The Supreme Court ordered a hearing to ascertain the exact amount legally due to GTI, as the petitioners contended GTI's demand exceeded the judgment awards, particularly on interest and legal charges.

Customs Duties: The award for customs duties was part of the final judgment. The court emphasized the dispositive portion of the decision, stating the awarded amount cannot be escaped regardless of supporting documentation.

Doctrine:

1. **Continuing Jurisdiction**: Courts retain supervisory control over enforcement of judgments until full satisfaction.
2. **Finality of Partial Satisfaction**: Partial satisfaction through sale doesn't preclude further inquiry into remaining judgment compliance.
3. **Dispositive Portion Control**: Only the dispositive portion of a ruling is binding in execution.

Class Notes:

- **Jurisdiction During Execution**: Courts maintain jurisdiction until full satisfaction of judgment, essential for overseeing lawful and complete execution (Vda. de Paman v. Señeris).
- **Dispositive Portion Binding**: The dispositive portion of a judgment decree governs

execution steps, overruling other textual parts (Fabular v. CA).

- ****Proper Demand Inquiry****: Appeal courts can order lower courts to verify exact liabilities under enforcement actions.

Historical Background:

This case arose during the transition from the defunct Court of First Instance to the current Regional Trial Courts following statutory judicial reorganization. It embodies procedural complexity post-judgment and the delineation of courts' powers in execution processes, amid administrative transformations in the Philippine judiciary.