

****Title:**** Republic of the Philippines v. Hon. Guillermo P. Villasor, et al.

****Facts:****

1. On July 3, 1961, the Court ruled in favor of respondents P. J. Kiener Co., Ltd., Gavino Unchuan, and International Construction Corporation, against the Republic of the Philippines, confirming an arbitration award of PHP 1,712,396.40.
2. The awarded amount was not immediately settled by the Republic.
3. Respondent Hon. Guillermo P. Villasor, Judge of the Court of First Instance of Cebu, Branch I, on June 24, 1969, declared the 1961 decision final and executory and directed the Sheriffs of Rizal Province, Quezon City, and Manila to execute the decision.
4. An Alias Writ of Execution was issued on June 26, 1969.
5. Pursuant to this writ, on June 28, 1969, the Provincial Sheriff of Rizal served notices of garnishment to several banks, affecting funds due to the Armed Forces of the Philippines (AFP).
6. The notices of garnishment were received by the Philippine Veterans Bank on June 30, 1969.
7. The funds targeted for garnishment were allocated for the payment of pensions, pay and allowances of AFP personnel, and operational expenses, as certified by the AFP Comptroller on July 3, 1969.
8. The Republic filed a certiorari and prohibition proceeding with the Supreme Court, asserting that Respondent Judge Villasor acted in excess of jurisdiction and with grave abuse of discretion in issuing the alias writ and the garnishment notices.

****Issues:****

1. ****Whether the state is immune from suit, specifically regarding execution and garnishment orders against public funds.****
2. ****Whether Judge Villasor acted in excess of jurisdiction and with grave abuse of discretion by declaring the decision final and executory and issuing an alias writ of execution targeting public funds.****

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

1. ****State Immunity from Suit:****
 - The principle of state immunity from suit, a fundamental tenet of constitutional law, renders the state or its government immune unless consenting to suit. This immunity emanates from the concept of sovereignty, highlighting that there can be no legal claim

against the state without its consent. The Supreme Court reiterated this established legal principle, emphasizing that public funds cannot be subjected to garnishment even if the state's liability is adjudicated. This doctrine ensures that public functions are not disrupted by lawsuits against state funds allocated for specific public purposes.

2. **Excess of Jurisdiction and Grave Abuse of Discretion**:

- By applying the principle that public funds are immune from garnishment, the Supreme Court found that Judge Villazor's declaration of the 1961 decision as final and executory, the issuance of the alias writ of execution, and the subsequent garnishment of AFP's funds constituted an overreach and grave abuse of discretion. The actions taken were inconsistent with the constitutionally and jurisprudentially protected immunity of state funds from execution and garnishment proceedings.

Doctrine:

The case underscores the doctrine that:

- **The state cannot be sued without its consent,** reaffirming the immunity grounded in the concept of sovereignty as stated in Article XV, Section 16 of the 1935 Constitution.
- **Public funds are immune from garnishment,** even if the state has consented to be sued. This principle serves the public policy of ensuring unhampered government operations.

Class Notes:

1. **Sovereign Immunity:** The doctrine prevents suits against the state without its consent (Article XV, Section 16, 1935 Constitution). The logical basis is that a sovereign entity cannot be sued in its own courts.
2. **Public Funds Immunity:** Public funds allocated for specific purposes like military pensions and salaries are protected from execution and garnishment to prevent public service disruption.
 - **Case Cited:** Commissioner of Public Highways v. San Diego (31 SCRA 616, 1970)
 - **Key Phrase:** "Disbursements of public funds must be covered by corresponding appropriation as required by law."
3. **Grave Abuse of Discretion:** The issuance of an execution writ against public funds without due consideration of legal constraints constitutes grave abuse of discretion amounting to lack of jurisdiction.
4. **Legal Precedents:** Cited cases include *Kawananakoa v. Polyblank* (205 U.S. 349, 1907) and *Director of Commerce and Industry v. Concepcion* (43 Phil. 384, 1922),

establishing non-garnishment of state funds even protecting accrued employee salaries.

****Historical Background:****

During the late 1960s, the Philippine judicial system was actively interpreting constitutional principles, such as state immunity, derived from both local law and international jurisprudence. This period was marked by a reaffirmation of juristic doctrines to safeguard government functions from judicial encroachments, reflecting the balance between state sovereignty and private rights.