

Title:

****Perla Compania De Seguros, Inc., vs. Hon. Jose R. Ramolete, et al.****

Facts:

****Step-by-Step Series of Events:****

1. ****Accident Occurs:****

- On June 1, 1976, a Cimarron PUJ owned by Nelia Enriquez and driven by Cosme Casas collided with a private jeep driven by Calixto Palmes in Liloan, Cebu. Palmes died due to injuries, and Adeudatus Borbon, a minor, was also hurt.

2. ****Filing of Complaint:****

- On June 25, 1976, Primitiva Palmes (widow of Calixto Palmes) and Honorato Borbon, Sr. (father of Adeudatus Borbon) filed a complaint for damages against Casas and Enriquez before the Court of First Instance of Cebu, Branch 3.

3. ****Separation of Claims:****

- The court ordered the exclusion of Borbon's claim due to jurisdictional reasons.

4. ****Court Decision:****

- On April 4, 1977, the court ruled in favor of Primitiva Palmes, awarding her P10,000.00 as moral damages, P12,000.00 as compensatory damages, P3,000.00 as exemplary damages, P5,000.00 as actual damages, and P1,000.00 as attorney's fees.

5. ****Unfulfilled Writ of Execution:****

- The writ of execution issued was returned unsatisfied. Nelia Enriquez was examined under oath and revealed that the PUJ was covered by a third-party liability insurance policy from Perla Compania de Seguros.

6. ****Motion for Garnishment:****

- On July 31, 1979, Palmes filed a motion for garnishment of the insurance policy.

7. ****Issuance of Garnishment Orders:****

- On August 6, 1979, Judge Ramolete ordered the Provincial Sheriff to garnish the insurance policy. Perla filed motions for reconsideration and quashal of the writ of garnishment, which the court denied on October 24, 1979. An alias writ of garnishment was issued on April 8, 1980.

8. ****Filing of Petition for Certiorari:****

- Perla filed a petition for certiorari with the Supreme Court on June 25, 1982, arguing grave abuse of discretion and lack of jurisdiction.

Issues:

1. Whether the trial court acquired jurisdiction over Perla Compania de Seguros despite Perla not being a party in Civil Case No. R-15391.
2. Whether Perla's liability under the third-party insurance policy can be subjected to garnishment without a separate action being filed.

Court's Decision:

Resolution of Legal Issues:

1. **Jurisdiction Over Perla:**

- The Supreme Court found that the trial court did acquire jurisdiction over Perla by serving the writ of garnishment. The garnishee did not need to be impleaded or served with summons; service of the writ sufficed to bind Perla, making it a "virtual party" to the case.

2. **Validity of Garnishment Without Separate Action:**

- The Supreme Court held that a separate action was unnecessary. The Insurance Code obligates insurers to pay injured third parties upon the insured's liability. The writ of garnishment served on Perla sufficed to hold Perla liable to the judgment creditor.

Doctrine:

The key doctrine established and reiterated in this case is that under Philippine procedural law, garnishment serves as a sufficient method to attach property or credits belonging to a judgment debtor held by a third party. Summons need not be served on the garnishee, nor does the garnishee need to be a party to the original case.

Class Notes:

Key Elements and Concepts:

- **Garnishment:** A method to attach property or credits belonging to a judgment debtor held by a third party.
- **Third-party Liability Insurance:** Obliges the insurer to pay injured third parties upon the insured's liability.
- **Jurisdiction over Garnishee:** Established through service of the writ, without necessitating summons.

Relevant Statutes/Provisions:

- **Rule 39, Section 15 (Rules of Court):** Governs the execution of money judgments, including garnishment.
- **Rule 57, Section 7(e) (Rules of Court):** Details the procedure for attachment of debts and credits.
- **Insurance Code, Section 373:** Liability of insurers to an injured third party.

Historical Background:

In the 1970s, transportation accidents involving public utility vehicles in the Philippines were common, leading to increased litigation concerning insurance claims. This case highlights the procedural aspects of enforcing court judgments and insurance policy mechanisms during that period, emphasizing legislative intent to protect third-party victims in vehicular accidents.