

PHILIPPINE NATIONAL BANK, PETITIONER, VS. THE COURT OF APPEALS, LINA VELMONTE, RODOLFO CORNEJO AND FELICISIMO Y. GUEVARRA, RESPONDENTS.

G.R. No. L-27117. July 30, 1969

Ponente: CONCEPCION, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/9c0b0315093e/>

CONCEPCION, C.J.:

Plaintiff Philippine National Bank seeks the review on certiorari of a decision of the Court of Appeals reversing that of the Court of First Instance of Manila.

The main facts are not in dispute. On June 2, 1953, judgment was rendered in Civil Case No. 24254 of the Municipal Court of Manila, entitled "Philippine National Bank vs. Lina Velmonte, Rodolfo Cornejo, and Felicisimo Y. Guevarra", sentencing these defendants to pay, jointly and severally, to the plaintiff the sum of P1,001.02, with 9% annual interest thereon from June 3, 1953, plus 10% of the amount due as attorney's fees and the costs. On January 28, 1964, plaintiff instituted Civil Case No. 117899, of said court, against the same de-fendants, for the revival of the aforementioned judgment, upon the ground that the same had not been satisfied, except for the sum of P150, paid by defendant Cornejo, on July 20, 1956; that this payment interrupted the period of prescription of said judgment; and that the amount due thereunder, as of January 15, 1964, was P1,833.39, with the stipulated interest of 9% on P800, from January 16, 1964, plus attorney's fees and the costs. A decision having been rendered by the Municipal Court dismissing the complaint, plaintiff appealed to the Court of First Instance of Manila which, in due course, rendered judgment for the plaintiff. On appeal, taken by the defendants, this judgment of the court of first instance was reversed by the Court of Appeals, upon the ground of prescription of action. Hence, this petition for review.

The case hinges on whether or not the payment allegedly made by defendant Cornejo, on July 20, 1956, in partial satisfaction of the judgment of the Municipal Court in said Case No. 24254, tolls the running of the statute of limitations for the revival of said judgment. In this connection, "(t)he prescription of actions is interrupted" - pursuant to Article 1155 of our Civil Code - either "when they are filed before the court", or (2) "where there is a written extrajudicial demand by the creditors", or (3) "when there is any written acknowledgement of the debt by the debtor." In the case at bar, no action was filed in court within 10 years from June 17, 1953, when the decision of the Municipal Court presumably became final and executory. Neither has there been any written extrajudicial demand by plaintiff for the payment of said judgment. Plaintiff maintains that, in the present case, there has been a written acknowledgment of the debt by the debtor, in view of the partial payment of P150, allegedly made by defendant Cornejo, on July 20, 1956. It should be noted, however, that, although a payment implies an acknowledgment of debt, it is not necessarily a written acknowledgment thereof. In this connection, the following observations made in the annotation to the Civil Code of the Philippines by Tolentino[1] are in point:

"Part payment of a debt, therefore, cannot interrupt the period of prescription. A partial payment before the period has elapsed is undoubtedly an implied acknowledgment of the debt. This has been recognized under the old Civil Code. It has been so held in Louisiana. But our present Civil Code requires that the acknowledgment,

in order to interrupt prescription, must be written, unlike the old Civil Code which did not require a writing; hence, the legal impossibility of considering payment as an acknowledgment sufficient to interrupt prescription." [2]

Indeed, in *PNB v. Osete*, [3] we said:

"With respect to the alleged partial payments, it is worthy of notice that, Art. 1973 of the Civil Code of Spain provided:

'The prescription of actions is interrupted by the commencement of a suit for their enforcement, by an extra-judicial demand by the creditor, and by any act of acknowledgment of the debt by the debtor.'

"Under this article, a partial payment could, as an 'act of acknowledgment of the debt,' interrupt the prescriptive period. Said provision was amended, however, by Article 1155 of the Civil Code of the Philippines, to read:

'The prescription of actions is interrupted when they are filed before the court, when there is a written extra-judicial demand by the creditors, and when there is any written acknowledgment of the debt by the debtor.'

"Under this provision, not all acts of acknowledgment of a debt interrupt prescription. To produce such effect, the acknowledgment must be 'written', so that payment, if not coupled with a communication signed by the payor, would not interrupt the running of the period of prescription.

"Moreover, the lower court expressed the view that said 'Art. 1155 of the New Civil Code refers to the tolling of the period of prescription of the action to collect, not to the action to enforce' - or revive - a 'judgment'. Understandably, either an 'extrajudicial demand' by the creditor or an 'acknowledgment of the debt' may interrupt the prescription of the action to collect, not based upon a judgment, since the demand indicates that the creditor has not slept on his rights - and removes the basis of the statute; of limitation of actions - but, was vigilant in the enforcement thereof, whereas an acknowledgment by the debtor provides a tangible evidence of the existence and validity of the debt. Who would, however, make an 'extrajudicial demand' for the payment of a judgment, when the same may be enforced by a writ of execution? And, how could an acknowledgment or partial payment affect the rights of a creditor, when the same are based, no longer upon his contract with the debtor or upon law, but upon no less than a judicial decree, which is final and executory?"

It may not be amiss to note, also, that the payment by defendant Cornejo was sought to be established with a photostatic copy of a receipt issued, not of the debtor, but by the creditor, namely, plaintiff herein.

Plaintiff insists that its theory is supported by Article 1151 of our Civil Code, which provides that:

"x x The time for the prescription of actions which have for their object the enforcement of obligations to pay principal with interest or annuity runs from the last payment of the annuity or of the interest."

This provision is inapplicable to the case at bar. It refers to the "enforcement of obligations to pay principal with interest or annuity" where payment thereof is due at stimulated intervals, in which case, the prescriptive period begins to run from the "last payment of the annuity or of the interest." The sum of P150 paid by Cornejo, on July 20, 1956, was not meant to be in satisfaction of any "annuity or interest". Upon the other hand, an action to revive a judgment prescribes from the time that the same has become final. Then, again, the interpretation advocated by plaintiff would render Article 1151 inconsistent with the last part of Article 1155 and defeat the evident purpose of the framers of our Civil Code, in modifying the rule incorporated into Article 1973 of the Spanish Civil Code. It is a well-settled principle of statutory construction that the provisions of the same Code should be so interpreted as to harmonize, instead of creating a conflict between said provisions, and that in the event of an irreconcilable inconsistency, the later provision should prevail over the earlier one.

WHEREFORE, the decision of the Court of Appeals should be, as it is hereby affirmed, with costs against the plaintiff.

SO ORDERED.

Reyes, J.B.L., Dizon, Makalintal, Sanchez, Castro, Fernando, Capistrano, Teehankee, and Barredo, JJ., concur.
Zaldivar, J., did not take part.

[1] Vol. 4, 1956 ed., p. 46.

[2] Underscoring supplied.

[3] L-24997, July 18, 1968.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.