

**BUDGET INVESTMENT & FINANCING, INC., PLAINTIFF, VS.  
GLICERIO MANGOMA, JOHN DOE (ENRIQUE T. MANALOTO),  
RICHARD DOE, WILLIAM DOE, AND OTHER UNKNOWN PERSONS,  
DEFENDANTS. FILIPINAS ...**

*G.R. No. L-28683. September 04, 1987*

Ponente: NARVASA, J.

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**NARVASA, J.:**

The Court of First Instance of Manila having rendered judgment in Civil Case No. 54279[1] -- a case basically involving conflicting claims among several parties as regards the ownership and right of possession over a Chevrolet "Impala" two-door automobile, the claimants being: (1) plaintiff Budget investment & Financing, Inc., a mortgagee of the car (hereafter simply, Budget); (2) Filipinas Investment & Finance Corporation, another mortgagee of the same car (hereafter simply, Filipinas); and (3) Enrique Manaloto, one of several purchasers of the car; the judgment having inter alia -

(1) pronounced appellee Manaloto to be a purchaser in good faith of the automobile, not bound by the chattel mortgage constituted over it in favor of Budget by another person, Glicerio Mangoma, and therefore "entitled to the vehicle", and

(2) declared Filipinas, since "Its rights flow from a later (and spurious and void) certificate of registration" as "not entitled to any protection save a judgment in its favor for the recovery of a sum of money from Remigio Garcia (who had mortgaged the car to it as security for a debt in the sum of P7,360.00);

the judgment having disposed of the case as follows:

"1. Ordering Defendant Mangoma to pay Plaintiff the sum of P5,950.00 with interest thereon of the rate of 12% per annum from May 15, 1963 until fully paid, and to pay one-half of the costs;

2. Ordering that Defendant Manoloto is entitled to the possession of the vehicle in question;

3. Ordering Defendant in Intervention Remegio Garcia to pay Intervenor Filipinas Finance & Investment Corporation the sum of P7,366.00 with interest thereon at the rate of 12% per annum from May 17, 1963 until fully paid. Remegio Garcia is ordered to pay one-half of the costs.";1

the judgment having become final and executory; a motion for execution having been presented in due course by Manaloto, praying for the delivery of the car to him -

" \*\* and that in the event that the car can no longer be returned to him to pay jointly and severally with the Philippine-American Insurance Co., Inc. to \*\* movent the amount of P7,000.00 which is the purchase price paid by \*\* movent \*\* for the said car \*\* (Philippine-American being surety upon the replevin bond posted by Filipinas to obtain possession of the motor vehicle subject of the suit);2

said motion for execution having been opposed by Filipinas on what the Trial Court described as -

" \*\* the technical defense that the decision \*\* did not order Filipinas to deliver the car to Manaloto so that the Judgment must be executed in its exact terms",<sup>1</sup>

Manaloto's motion for execution having been granted by the Trial Court notwithstanding Filipinas' opposition, by Order dated August 16, 1966, which Order pertinently reads as follows:

" \*\* This Court held (In its decision) that Manaloto was entitled to the possession of the car. That car is in the admitted possession of Filipinas -- the only legal conclusion that can be drawn is that Filipinas must deliver the car to Manaloto or stand liable on its bond (posted in its behalf by Philippine-American Surety & Insurance Co., Inc., as aforesated);

"Motion granted. Filipinas Investment & Finance Corporation is ordered to deliver possession of the car to Defendant Manaloto within ten (10) days from receipt of this order or be liable on its bond in the sum of P7,000.00.",<sup>2</sup>

and Filipinas' motion for reconsideration of that order having been denied for lack of merit by Order dated September 12, 1966, the Court holding that -

" \*\* (since) the vehicle in question has already been sold by \*\* (Filipinas) to a third person \*\* the only alternative left is the liability of \*\* (Filipinas) under its bond in the sum of P7,000.00,"<sup>3</sup>

Filipinas has appealed to this Court seeking the setting aside of said Orders of August 16, 1966 and September 12, 1966.

At once apparent is that the whole controversy has resulted from the laconic character of the Trial Court's disposition that "Defendant Monoloto is entitled to the possession of the vehicle in question". Stated otherwise, the issue stems from that Court's failure to go beyond simply declaring Manloto to be entitled to the possession of the vehicle in question, by also and categorically requiring the delivery thereof to Manaloto, and furthermore anticipating and providing for the contingency of Filipinas' inability to give possession of the car to Manaloto.

It is Filipinas' contention that "the orders appealed from are void for being at variance with, and in excess of, the terms of the decision which they purport to execute." It argues that -

"While It is true that the decision held that 'Defendant Maneloto is entitled to the possession of the vehicle in question' there was, however, no specific and definite order in the decision directing plaintiff-intervenor (a) to return the possession of the said motor vehicle to defendant Manaloto, (b) or in the alternative, to pay to defendant Manaloto, jointly and severally with the bonding company, the amount of P7,000.00. Neither was there a finding by the Court as to the value of the property, much less a finding of P7,000.00."<sup>1</sup>

And since, according to Filipinas, the judgment had become executory it can no longer be modified or varied in any way; execution can only be had strictly in accordance with its terms.

Filipinas also claims that the Trial Court committed serious error in decreeing that in case it (Filipinas) could not "deliver possession of the car to Defendant Manaloto within ten (10) days," it is "liable on its bond in the sum of P7,000.00", it being argued that that disposition was violative of Section 10, Rule 60, in relation to Section 20, Rule 57 of the Rules of Court, requiring that recovery upon a bond for any damages resulting from a writ of seizure (in a replevin suit) may be had only upon application with notice to the surety or sureties, and after proper hearing, to be included in the final judgment.<sup>2</sup> Furthermore, it adds, Manaloto's "bare allegation that the amount of P7,000.00 was 'the value of the property' \*\* hardly suffices as evidentiary basis for a finding of 'the value of the property'", which value should properly have been established by proof "adduced during the pendency of the case, not after it had been terminated by final judgment".<sup>3</sup>

The theory that because the Trial Court's judgment merely "ordered" "that defendant Manaloto is entitled to the

possession of the vehicle in question" -- without also commanding that it be delivered to Manaloto -- the Court is powerless to issue a writ of execution requiring such delivery, is absurd. The theory ignores the plain meaning and import of the language of the judgment. The declaration that Manaloto is entitled to the possession of the car, is in effect a declaration that no other party is entitled to its possession. It is thus a declaration that Filipinas, which was then in possession of the vehicle, had no right to continue in possession thereof, and was bound to recognize Manaloto's superior right to possession under the judgment in the case in which both were parties. Moreover, the Court's opinion makes clear that Filipinas "was not entitled to any protection save a judgment in its favor for the recovery of a sum of money from Remigio Garcia." The inescapable conclusion from these premises is that Filipinas --- not being entitled to the possession of the car because Manaloto has been adjudged entitled thereto; having no other right except to recover a sum of money from Garcia; and being bound to recognize the Court's adjudication to this effect --- should deliver the automobile to Manaloto. To argue otherwise would be to argue against simple logic and plain language. As we have more than once ruled, a judgment is not confined to what appears on the face of the decision but comprehends what is necessarily included therein or necessary thereto to make it effective;<sup>1</sup> and that while, for purposes of execution, the dispositive part of the decision controls, when there is ambiguity or uncertainty therein, the body of the opinion may be referred to for purposes of construing the judgment because the dispositive part of a decision must find support from the decision's ratio decidendi.<sup>2</sup> "The form of the judgment is not material, provided that in substance it shows distinctly and not inferentially that the matter had been determined in favor of one of the litigants or that the rights of the parties in litigation had been adjudicated. In other words, the sufficiency of the writing claimed to be a judgment should always be tested by its substance rather than the form."<sup>3</sup>

What Filipinas did however was unjustifiable. Knowing fully well that it was not entitled to the possession of the car and that Manaloto was the party judicially declared to be entitled thereto; and being aware that "it is not entitled to any protection save a judgment in its favor for the recovery of a sum of money from Remigio Garcia", it not only chose to retain possession of the car but assumed rights of ownership over said car by selling it to a third person and appropriating the proceeds of the sale. In this way Filipinas not only completely set the Court's executory judgment at naught as regards the possession of the car, but also retained the right to execute that part of the judgment decreeing payment to it by Remigio Garcia of the sum of P7,360.00, plus interest. A clearer case of double compensation, or unjust enrichment can hardly be conceived. What is worse is that Filipinas would now justify these acts by capitalizing on the undeniable albeit inconsequential imprecision in the Trial Court's judgment.

Having made it impossible for it to accord respect to Manaloto's adjudicated right to the car in question, and to deliver it to him, Filipinas would also absolve itself from compensating Manaloto for the loss of the vehicle by the plea that this had not been decreed in the judgment. It would, in other words, absolve itself from liability for paying for the value of car which it had sold to another instead of delivering it to Manaloto, as it was bound to do under the judgment, by simply pleading that it could no longer make delivery, and unfortunately for Manaloto, this had not been foreseen, and provided for, by the Court. It would make its very act of disobedience and defiance to the judgment the excuse for not making amends therefor. This, too, is unjustifiable.

Again, Filipinas would evade liability by the claim that the Court had never made "a finding as to the value of the property, much less a finding of P7,000.00." It evidently has lost sight of its own averments that it had accepted a chattel mortgage over the car as security for an obligation in the sum of P7,366.00, and had filed a replevin bond in double the value of the car.<sup>1</sup> It is bound by these averments. The averments are conclusive upon it. It cannot now say that there is no factual foundation for the requirement that it pay to Manaloto the sum of P7,000.00 as recompense for the car which it had illegally sold to a third person, instead of delivering it to Manaloto as was its declared prestation.

As untenable as its preceding arguments is Filipinas' contention that the ad judgment that it is liable on its bond in the sum of P7,000.00 is violative of Section 10, Rule 60, in relation to Section 20, Rule 57 of the Rules of Court. But slight reflection should show that the provisions cited refer to a situation where the sureties upon a replevin bond are sought to be made liable upon their undertaking to respond for any damages resulting from a writ of seizure. They have no relevance to the situation like that in the case at bar where it is the principal party itself, not the surety, that is required to answer for the value of the property subject of the replevin action.

WHEREFORE, the Orders subject of the appeal, being in accord with the facts and the law, are affirmed in toto. This judgment is immediately executory. Costs against the appellant.

Teehankee, C.J., Cruz, Paras\*, and Gancayco, JJ., concur.

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[1] Record on Appeal, pp. 56 et seq., Rollo, p. 6

1 Emphasis supplied

2 Rec. on App., pp. 62-64

1 Rec. on App., pp. 72-73

2 Id., parenthetical insertions supplied

3 Id., pp. 83-84; emphasis supplied

1 Appellant's Brief, p. 5; Rollo, p. 22

2 Id., pp. 25 et seq

3 Id., pp. 31-32

1 Paredes v. C.A., 132 SCRA 501

2 Heirs of Presto v. Galang, 78 SCRA 534; Filipino Legion Corp. v. C.A., et al., 56 SCRA 74; Morelos v. Go Chin Ling, et al., 105 Phil. 814; see also Auyong Hian v. CTA, 59 SCRA 110, and Pastor, Jr. v. C.A., 122 SCRA 885

3 Newberry v. Dutton, 114 Va. 95, 75 S.E. 785, quoting from 1 Black on Judgments, sec. 115, cited in Freeman's Treatise on the Law of Judgments, vol. 1, pp. 121-122

1 SEE Filipinas' complaint in intervention:and Annexes A; and B thereof: Rec. On App., Rollo, pp. 17-45

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