

THE MANILA TRADING & SUPPLY COMPANY, AND MANTRADE, INC., PETITIONERS, VS. COURT OF APPEALS AND MARTIN SOUZA, RESPONDENTS.

G.R. No. L-23977. July 30, 1969

Ponente: BARREDO, J.

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BARREDO, J.:

The Manila Trading & Supply Company and MANTRADE, Inc.[1] seek the review, via certiorari, of the decision of the Court of Appeals in CA-G. R. No. 32226-R, holding that, the true balance of the judgment in Civil Case No. 29049 of the Court of First Instance of Manila is P2,730.87, and not P9,730.87 as held by the latter court in its Civil Case No. 49263, filed by the Manila Trading & Supply Company for the revival of the said judgment.

The undisputed facts of the case, as found and set forth by the Court of Appeals in the decision appealed from, are as follows:

“x x x Que no hay cuestion alguna sobre ciertos antecedentes; el 19 de Octubre, 1954, el demandado otorgo pagare a favor de la demandante en la suma de P19,000.00 pagadera a plazos y con intereses de 12% al ado, pero no habiendo podido saldar ciertas amortizaciones, fue demandado por la casa acreodera, y esta obtuvo sentencia en la Causa Civil No. 29049 del Juzgado de la Instancia de Manila por la suma de P10,035.98 mas los intereses convenidos, y la cantidad de P3,345.32 por honorarios de abogado, habiendose fallado el asunto el 18 de Abril, 1956; Exh. A; al quedarse firme la sentencia, la Manila Trading obtuvo mandamiento de ejecucion, y consiguio el embargo de dos camiones del demandado, que fueron ambos vendidos en subasta publica y el producto de la yenta se aplico a la sentencia, pero el mismo no era suficiente, y la Manila Trading otra vez consiguio ejecucion, y el mismo hogar, la casa y el solar en donde estaba levantada la misma, de Martin Souza, se vendieron en subasta publics, y el producto otra vez se aplico a la sentencia; pero otra. vez, la Manila Trading alegando que la segunda ejecucion tampoco pudo cubrir la totalidad de su reclamacion, pidio una segunda ejecucion, alias, en la suma de P2,730.87, suma que segun mocion de su propio abogado, Exh. 1 quedaba por pagar a la Manila Trading y el Juzgado accedio alla mocion y ordeno la expedicion de una segunda ejecucion, alias, contra Martin por la cantidad mencionada de P2,730.87, en auto de fecha 9 de Marzo, 1957, Exh. 1, expidiendose luego el mandamiento el 18 del mismo mas de Marzo, 1957, Exh. 2; pero nada hay en las pruebas que indique cual haya sido el resultado de esta segunda ejecucion; lo que si se ve es que la presente accion se entablo cinco años despues, para revivir 1a sentencia a favor de la Manila Trading, pero en la cantidad restante que segun ella, llegaba a la suma de P9,730.87, y en la vista, o mejor dicho en la nueva vista,[2] se le permitio probar un supuesto error de ma-tematicas cometido por su testigo y contador auxiliar, Sr. Fausto Abad, error que a su vez, motivo' otro error del abogado de la Manila Trading, el Sr. Valladolid en la preparacion de su motion, Exh. 1, pues, la suma de P9, 730.87, dicese que se escribio, "P2,730.87", y el Juzgado Inferior con vista del testimonio del Sr. Abad en la re-apertura del juicio, dictamino a favor de la Manila Trading, y esta es la razon porque en esta alzada, Martin Souza alega que el mismo habia incurrido en las siguientes errores:

'I. That the Lower Court erred in holding that the true balance of the account of the defendant-appellant with the plaintiff-appellee was P9,730.87, and not P2,730.87, and consequently in modifying its decision dated Aug. 22,

1962, in the absence of convincing proof to support the amendments;

'II. That the Lower Court erred in considering the allegations made by the plaintiff in its motion to set aside judgment and to reopen the case as sufficient grounds for the reopening of the case, and for not rejecting the same for want of compliance with the requirements of the rules of court on the matter;

'III. That the Lower Court erred in holding that the mistake allegedly committed by the plaintiff's counsel in its petition for the issuance of an alias writ of execution, marked as Exhibit 1, particularly the figures P2,730.87 to mean P9,730.87, is merely a harmless one or a clerical error, correctible by a mere motion and not by appeal;'(pp. 1-3, Alegado del DemandadoApelante) los cuales pueden discutirse conjuntamente, toda vez que la cuestion presentada es bien sencilla, y es, si a la luz de las pruebas aportadas y los escritos de las partes, la ultima decision del Juzgado Inferior debe sostenerse."

Resolving the appeal, the Court of Appeals revoked the appealed decision of the trial court, dated February 4, 1963, and in its stead, ordered appellant Martin Souza to pay to the Manila Trading & Supply Company the sum of only P2,730.87 with interest at 12% per annum from November 24, 1956 until fully paid. In holding that the balance of the judgment account in Civil Case No. 29049 of the Court of First Instance of Manila is only P2,730.87 and not P9,730.87 as held by the said court in the subsequent action for the revival of the judgment aforesaid, the Court of Appeals reasoned out thus:

"CONSIDERANDO: Que de ser cierto que el restante de la deuda del demandado era la cantidad de P9,730.87 y no la suma de P2,730.87, justicia es que se le ordene a aquel a que pague la primera y correcta cantidad; mas esto no resuelve el caso; pues no debe perderse de vista que el asunto presente es accion para revivir una sentencia; y si bien es verdad que en la causa de Cia General contra Martinez 29 Phil. 515, dicese que en las acciones para revivir una sentencia, cabe cualquiera defensa que tuviese el deudor, como el pago que se hubiese verificado despues de quedarse firme la sentencia que se trata de revivir (Y por consiguiente el acreedor a su vez puede probar el verdadero saldo de la deuda), - si en todo caso, antes de entablarse la nueva demanda, la cantidad alegadamente no satisfecha hasta entonces ya estuviera fijada por actuacion judicial en el primer expediente, claro es que el Juzgado que haya de conocer de la accion no puede ir mas alla de lo que esta ya determinado en aquel, pues de lo contrario, si en la nueva accion permisible es pretender y demostrar que la cantidad restante segun hubiese sido fijada en ese primer expediente era cantidad erronea, y que la verdadera cantidad que quedaba por pagar era otra, mas grande que aquella, - esto daria por resultado dos expedientes con actuaciones ambas judiciales, contradictorias entre si; ahora bien, en la mencionada causa, Civil No. 29049, lo que aparece es que segun mocio de la demandante, y auto del Juzgado expedido alla por el 1957, se habia fijado la cantidad restante en la suma de P2,730.87: esta suma, pretende la demandante en el presente asunto que es un error; pero fuese o no un error, ello es que las cifras no han lido corregidas en esa Causa Civil No. 29049; y esta Tribunal no comprende como es que en otra accion entablada en otra causa el Juzgado que conociera dela segunda causa tuviese autoridad y jurisdiccion para corregir el error; verdad que el auto mencionada de ser erroneo, pudo haberse corregido despues, siendo auto interlocutorio, pero la correccion correspondia al Juzgado que lo habia cometido, no a otro Juzgado como es el Juzgado Inferior en este, asunto; verdad que una actuacion de un Juzgado puede tambien corregirse por otro Juzgado, pero esto es permisible solamente en los casos en que el auto que haya de ser corregido, merecia correccion precisamente porque el Juzgado que lo haya dictado, se habia extra-limitado de su jurisdiccion al dictarlo, y la falta de su autoridad fuese manifiesta y estuviere a la vista con la simple lectura del auto en cuyo caso, seria un auto nullo (void order) y es permisible anularlo o conseguirse declaracion de su nulidad aun en expediente separado y de una manera collateral, Gomez v. Concepcion 47 Phil. 717; pero el auto de fecha de 9 de Marzo, 1957 y la ejecucion que el Juzgado expidio nueve dias despues Exh. 1, 2, eran ambos autos que dicho Juzgado tenia amplio poder y autoridad para promulgar, con la agravante de que fueron expedidos a petition de la Manila Trading nada menos; siendo esto asi como lo es, este Tribunal es de la opinion de que en el asunto posterior, es decir, en el presente caso, para revivir la sentencia dictaminada en el Causa Civil originaria, el Juzgado estaba inhibido a

pronunciar y dictaminar, que el auto y la ejecucion mencionadas eran incorrectas, y habiendo el Juzgado Inferior en el presente caso, procedido en contra de este principio fundamental ya mencionado, admitiendo pruebas aportadas por la demandante para establecer al pretendido error para despues declarar que la cantidad adeudada y saldo restante de la sentencia era cantidad bien diferente de la cantidad hecho constar judicialmente en la causa originaria, este procedimiento y actuacion era error manifesto, porque era lo mismo, y equivalia a corregir las actuaciones del otro Juzgado en la otra causa, y por consiguiente, una estralimitacion de sus poderes y autoridad;

"CONSIDERANDO: Que siendo esta la conclusion del Tribunal, huelga discutir los otros errores apuntados, especialmente el argumento sometido por el demandado-apelante de que la prueba aportada por la demandante en la segunda vista no debia de haber sido considerada suficiente para probar el alegado error en la preparacion del escrito Exh. 1, en vista de que siendo escrito del propio abogado de la demandante, el Sr. Valladolid, el mismo y ningun otro, era el testigo competente para declarar que se habia errado en su preparacion, argumento que por cierto tiene sus meritos, pues en todo caso, la conclusion de este Tribunal en el primer considerando bastante es, para decidirse esta apelacion;

"EN SU VERTUD, este Tribunal se ve impelido a revocar, como por la presense revoca, la sentencia apelada, y en su lugar se dicta otra, condenaddo al demandado a que pague a la demandante, la cantidad de P2,730.87 con sus intereses a razon de 12% anuales desde el 24 de Noviembre, 1956 hasta su completo pago; sin pronunciamiento especial en cuanto a las costas."

This reasoning of the Court of Appeals is now assailed by the Manila Trading & Supply Company before this Court, with the following assignment of errors:

"I. That the Honorable Court of Appeals erred in revoking the appealed judgment on a mere technical procedural mistake allegedly committed by the lower court in receiving the evidence of MANTRADE with a view of establishing the error in Exhibits 1 & 2 which are motion for execution and writ of execution respectively.

"II. The Honorable Court of Appeals erred in not disregarding the alleged procedural mistake of the lower court on the ground that the same is only a harmless one.

"III. The Honorable Court of Appeals erred in not affirming the decision of the lower court on the ground that the said decision is supported by the evidence.

"IV. The Honorable Court of Appeals erred in declaring in effect, that in a revival suit, the lower court has no power to make pronouncement as to the balance of a judgment account different from the balance appearing in the first case.

"V. The Honorable Court of Appeals erred in revoking the judgment of the lower court on an issue not raised and discussed as assignment of error."

Beneath this assignment of errors, the main question posed is whether or not the trial court acted within the legal bounds in granting the motion of the Manila Trading & Supply Company in the action for the revival of judgment. (Civil Case No. 49263) "to set aside judgment and to reopen case" for the purpose of allowing the said company to submit additional evidence to prove the "mistake" it allegedly committed in the statement of the balance of the judgment in its favor in Civil Case No. 29049, when it filed its petition for the issuance of a second alias writ of execution (Exh. 1) in that case, and, on the basis of the evidence presented, in declaring thereafter that the true balance of the said judgment sought to be revived is P9,730.87, contrary to the stated balance of P2,730.87 appearing in the alias writ of execution (Exh. 2) issued by the trial court in the first case (Civil Case No. 29049) pursuant to the petition aforesaid. The Court of Appeals held that the lower court exceeded its function and authority in doing so, whereupon, it revoked the decision of the lower court.

Petitioners' appeal must be sustained. The effect of the decision of the Court of Appeals is to prevent payment of the full amount of a final and executory judgment and to relieve the judgment debtor pro-tanto, notwithstanding the proven fact, not seriously denied by the said judgment debtor, that the judgment has not been completely satisfied, simply because the writ of execution last issued before the judgment became dormant shows a lesser amount than the judgment, and in spite of proof that the reduced sum contained in the said last writ is the product of unintentional error on the part of an employee of the judgment creditor unwittingly incorporated in the motion for execution of his lawyer. This ought not to be done; it would amount to a denial of justice. To uphold it would be to sacrifice substantial justice at the altar of procedural niceties entirely devoid of any principle of public policy. It would be giving more importance to the means to attain justice than to the end itself. To say the least, the decision of the Court of Appeals is extremely technical and unrealistic.

To be sure, there was not even any error of procedure in the proceedings in the trial court. In allowing a new trial upon motion of appellants and permitting the said appellants to present evidence of the alleged error in the preparation of the motion for execution which induced the issuance of the last alias writ of execution in the amount of only P2,730.87, His Honor did not by any means modify the judgment appellants were asking to be revived. What His Honor corrected was merely the alias writ of execution. To put it the other way, it may be said that what His Honor did was just to receive evidence as to and to determine what was the actual and truthful unpaid balance of the judgment it was reviving, and in the process, it considered the alias writ of execution as only one of the pieces of evidence supporting appellee's claim regarding the amount of said balance, which evidence enjoyed, of course, the character of an implied judicial admission because of its relation to the motion for execution of appellants lawyer, the probative value of which will be discussed anon.

"The object of the action to enforce a dormant judgment is, first to revive it and, then, to execute the second judgment reviving it if it grants the plaintiff any relief." (Salvante v. Cruz, 88 Phil. 236, 241) Accepting the view that in the last analysis it is only the remaining unexecuted part of the dormant judgment that is actually to be revived, it does not necessarily follow that the alias writ of execution issued in relation thereto contains the conclusive evidence of such unsatisfied part. Any writ of execution must by all means conform exactly with the judgment to be enforced. Anything in it more than what such judgment requires is void. On the other hand, irrespective of what the writ may state, a judgment creditor cannot be compelled to accept less than his judgment unless the judgment debtor duly proves satisfaction or waiver of the alleged shortage. In line with these self-evident propositions, in *De la Costa v. Cleofas*, 67 Phil. 606, this Court said that "it has been repeatedly held, and it is now well-settled in this jurisdiction, that when after judgment has been rendered and the latter has become final, facts and circumstances transpire which render its execution impossible or unjust, the interested party may ask the court to modify or alter the judgment to harmonize the same with justice and the facts." (p. 692) [3]

It is not proper, much less practical, to equate writs of execution with judgments as regards their conclusiveness. The firmly final and immutable character of a judgment is founded on the principle that were the rule otherwise, there would be no end to a litigation. On the other hand, the writ of execution is only a means of carrying a judgment into effect or to make the winning parties realize the fruits thereof. Understandably, the circumstances surrounding actual compliance with the judgment may vary from time to time, according as to how the losing party tries to satisfy it. Accordingly, the state of facts on which a writ of execution may issue is always subject to proof. At best, as already indicated, the contents of a writ of execution may serve as evidence only of the unsettled portion of a judgment, and no principle of public policy or even plain expediency is violated by not according to such evidence the same conclusive-ness as a judgment has.

In the present case, it is true that the last alias writ of execution was issued upon a motion of appellants' counsel stating the amount of P2,730.87 as the balance of the judgment to be enforced, but even if such an allegation

could be considered as a judicial admission which under Section 2 of Rule 129 of the Rules of Court (Revised) "do not require proof and can not be contradicted," this provision is immediately followed by the excepting clause, "unless previously shown to have been made through palpable mistake." And precisely, appellants claim there was such mistake in this case.

Anent this point of mistake, the Court of Appeals held as may be seen in the above-quoted "considerandos" of its decision, that such mistake if truly existing had already been embodied in the alias writ of execution, hence it could be cured only by the same court that issued said writ, the error thus committed by the said court, not being one in excess of jurisdiction but, rather, within its authority, with the aggravating circumstance that it was induced by the appellants themselves.

This holding may be true as a general rule. Generally, a court may not interfere with or review the judgment, orders and other actuations of another court. In the present case, however, We are not exactly dealing with such a situation. What We have here is an action of revival. Whatever can be said of this kind of an action as being a new one distinct and different from the previous one, the judgment in which is being revived, none can deny that the two are so interrelated in the sense that in factual reality, if not in a legal sense, the second is just a continuation of the first, albeit such continuation has for its sole purpose the execution of or the procedure to satisfy the judgment in the first action. Of course, all matters litigated in the first action and which gave rise to the judgment can no longer be reopened or subjected to review, but when it comes to matters not litigated therein and which are related only to the execution of the judgment, it would be to the better interests of justice and more consistent with the very purpose of the remedy that the records of the first case be placed within the reach of the jurisdiction of the court taking cognizance of the second case, as to all matters therein related to such execution. Since the objective of the action of revival is to make possible the full satisfaction of the judgment despite the passage of time and to that end, it is indispensable to determine the outstanding balance or unsatisfied part of the judgment, it stands to reason that the records showing the prior efforts undertaken to enforce the judgment and the results thereof should be allowed to be examined and reviewed with such fullness as to preclude the possibility of illegality, injustice and inequity, in exactly the same manner as if it were the original court that were going over it. After all, whether it be by motion or by an action of revival that a judgment is executed, elementary justice demands that the execution be neither for more nor less than the judgment and any technicality of procedure, not founded on public policy and not conducive to such result, must be disregarded.

All that have been said above do not confer upon this Court the authority to determine in this appeal whether or not, as a matter of fact, the alleged mistake about the real amount of the unpaid balance of the judgment in question, does exist. This matter should have been passed upon squarely, and not merely conceded hypothetically, by the Court of Appeals.

IN VIEW OF ALL THE FOREGOING, the decision of the Court of Appeals is hereby reversed, and this case is returned to said court for further proceedings and judgment consistent with this decision, with costs against appellee.

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

[1] The petition in this case was originally filed by the Manila Trading said motion & Supply Company alone; but it appearing from the manifestation and motion subsequently filed by its counsel that the Manila Trading was dissolved and in lieu thereof Mantrade, Inc. was organized, took over and acquired all its rights, this Court, on Nov. 8, 1968, resolved that Mantrade, Inc. be joined with the Manila Trading & Supply Company as petitioners.

[2] After judgment was rendered by the trial court for only P2,730.87 as principal, appellants filed a motion for reconsideration alleging that the said amount of P2,730.87, was, as claimed by them at the trial and by reason of which they moved to be allowed to present a rebuttal witness to prove, a mistake, but the trial court had denied the permission requested; this motion for reconsideration was denied. Subsequently, appellants filed a motion to set aside judgment and to reopen case, on the same ground of mistake, and as there was no objection on the part of appellee, the court granted said motion. (Pp. 12-26, R. on A.)

[3] Although actually this holding speaks of modification of the judgment, it actually means that it is the writ of execution that must be made to conform to the altered condition of things. It is only in this sense that, perhaps, the judgment being executed may be deemed modified.

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