

PAULA AQUINO POLICARPIO, PETITIONER AND APPELLEE, VS. THE PHILIPPINE VETERANS BOARD, RESPONDENT AND APPELLEE, ASSOCIATED INSURANCE & SURETY CO., INC., SURETY AND APPELLANT.

G.R. No. L-12779. August 28, 1959

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BARRERA, J.;

This is an appeal by the Associated Insurance & Surety Co., Inc. from the order of the Court of First Instance of Manila directing it and Paula Aquino-Policarpio, jointly and severally to return to the Philippine Veterans Board the sum of P2,000.00.

On February 2, 1947, Paula Aquino-Policarpio applied for pension benefits with the Philippine Veterans Board by reason of the death of her husband, Melencio Policarpio, a member of the Armed Forces of the Philippines who was killed in action on March 29, 1942. This application was favorably acted upon and the widow started receiving a monthly pension of P50.00 on January 2, 1948; but this payment was discontinued on July 31, 1948, upon the Board's discovery that she was then receiving a similar pension from the United States Government.

On February 11, 1953, the said widow filed with the Philippine Veterans Board a petition for the restoration of her pension benefits on account of the fact that as of January 10, 1951, she had ceased receiving any pension from the U. S. Veterans Board. Thus, the Secretary of the Philippine Veterans Board issued a memorandum directed to the accounting officer of said entity restoring Policarpio's monthly stipend effective January 30, 1951. The delivery of Treasury Warrant No. 2773868 for the sum of P1,253.23 covering the accumulated pensions, however, was withheld on the ground that the Board "had not yet granted the restoration of the petitioner's pension". As a consequence thereof, Policarpio filed an action for mandamus with the Court of First Instance of Manila to compel the Board officers to release the warrant. The Board resisted the same claiming that the preparation of the warrant upon mere direction of the Secretary of the Board was a mistake as the widow's petition for restoration was yet unacted upon.

The lower court, holding that the signing by the secretary to the Board of the order in behalf of the Chairman, coupled with the fact that the check was drawn by virtue of said order justify the release of the warrant in payment of the petitioner's accumulated pensions, gave judgment in favor of the widow and ordered the release of the warrant and such other warrants corresponding to the widow's subsequent monthly pensions.

From this decision, the Philippine Veterans Board appealed to this Tribunal. In the meantime, the widow Paula Aquino-Policarpio filed an ex-parte motion for the execution of the decision pending the appeal, which was granted, and upon her filing the required bond in the sum of P2,000.00. Subscribed by the Associated Surety & Insurance Co., Inc., a writ of execution was actually issued on August 9, 1954. In pursuance thereto the Philippine Veterans Board delivered to the widow a treasury warrant in the sum of P2,000.00.

Disposing of the appeal taken by the Philippine Veterans Board (Policarpio vs. Phil. Veteran's Board, 99 Phil.,

797; 52 Off. Gaz., [11] 6178), this Court, on August 28, 1956, reversed the ruling of the trial court, in part saying:

"The decision is untenable. It being an established fact that the resumption of the pension had not yet been approved by the Veterans Board the memorandum of the Secretary and the preparation of the warrants were obviously unauthorized, and the taking of such action proves nothing but that the error or lack of authority was not discovered until later, as shown by the subsequent withholding of the warrants.

It was improper to compel delivery of the warrants because the Board might, in the exercise of its discretion, refuse to restore petitioner's pension; and even if its refusal should be wrongful or erroneous, the Court could not properly intervene until the appellee-petitioner should have exhausted her administrative remedies (*De la Paz vs. Alvarez*, L-8551, May 16, 1956; *Miguel vs. Vda. de Reyes*, L-4851, July 31, 1953). Therefore, the Court below should have limited itself in ordering the Board to take action upon Policarpio's petition, that her pension payments be resumed.

* * * * *

The decision appealed is modified in the sense of merely requiring the appellant Philippine Veterans Board to act without delay upon the application of February 11, 1953, for the restoration of pension benefits to appellee Paula Aquino Policarpio. Without costs."

The aforequoted decision having become final, the Philippine Veterans Board filed with the lower court on November 6, 1956, a motion praying that petitioner Policarpio and the surety company be ordered to return to the said movant the sum of P2,000.00 delivered to the petitioner by virtue of the writ of execution issued therein. The surety company registered opposition thereto contending that under, the terms and conditions of the bond, the liability of the surety would only arise upon the reversal or reduction of the decision appealed from, and considering that the dispositive portion of the decision of this Court did not make any pronouncement regarding the return of the amount received by petitioner and secured by said bond, it is argued that no liability could be imposed against the surety.

After considering the respective contentions of the parties, the lower court held in abeyance its resolution on the Board's motion for restitution until after the Board has complied with the decision of the Supreme Court requiring the Philippine Veterans Board to act without delay upon the widow's application of February 11, 1953 for the restoration of her pension benefits.

On December 26, 1956 the Veterans Board filed a motion stating that it had already acted upon the widow's petition by restoring her pension benefits as of November 29, 1956, and praying that its motion for restitution be thereupon resolved.

In its order of January 12, 1957, the lower court granted the Board's motion and required the petitioner and the surety, jointly and severally, to return to the Philippine Veterans Board the sum of P2,000.00. It is from this order that the appellant Associated Insurance & Surety Co., Inc. has brought this present appeal to this Court. In this appeal, appellant argues that its obligation under its bond is to guarantee the return of the sum of P2,000.00 received by the petitioner from the Veterans Board "in the event that the decision appealed from, should the same be appealed, be reversed or reduced and the same become final and executory"; and as the dispositive portion of the Supreme Court's decision in *G. R. No. L-10062* merely modified the lower court's ruling by requiring the Board to act upon the application of Policarpio for restoration of her pension, no action could be taken against the bond. Substantially, appellant's line of reasoning would be to confine the judgment of the court to what appears in the dispositive part of a decision.

We are not unaware of the pronouncements of this Court, thus:

The final judgment as rendered is the judgment of the court irrespective of all seemingly contrary statements in

the decision. "A judgment must be distinguished from an opinion. The latter is the informal expression of the views of the court and cannot prevail against its final order or decision. While the two may be combined in one instrument, the opinion forms no part of the judgment. So, * * * there is a distinction between the findings and conclusions of a court and its judgment. While they may constitute its decision and amount to the rendition of a judgment, they are not the judgment itself. They amount to nothing more than an order for judgment, which must, of course, be distinguished from the judgment." (1 Freeman on Judgments, p. 6). (Contreras vs. Felix, 78 Phil. 570).

The presumption of *res judicata* cannot be deduced from the grounds of the order but from the *fallo* or from the dispositive part of the order, which is the real judgment in the case in litigation (Archbishop of Manila vs. Director of Lands, 35 Phil., 339).

A perusal of the aforesaid decisions, however, would reveal that the citations were not intended to be the fixed and steadfast rule on the matter, but are laid down to meet the particular circumstances peculiar to those case and which find no application in the one at bar. This Court's declarations in the first appeal of this case that "the decision (of the lower court) is untenable", "the preparation of the warrants were obviously unauthorized", and "it was improper to compel delivery of the warrants" can hardly be called mere opinions. While the word "modified" is utilized in the dispositive portion of the decision, it cannot equally be denied that the ruling appealed from directing the release of the warrant was not merely altered but completely overruled.

It is true that the resolution of the court in a given issue, which determines and settles the rights of the parties, is ordinarily embodied in the last or dispositive part of the decision (Manalang vs. Rickards, G. R. No. L-11986, promulgated July 31, 1958), yet not infrequently such resolution or ruling may and does, appear in other parts thereof. Style in decision-making, -ox preparation is. personal to its writer. As long as the decision satisfies the requirement of the law (Art. VIII, Sec. 12, Philippine Constitution Rule 35, Sec. 1, Rules of Court), we find no compelling reason to adopt a definite and stringent rule underlining how and where the judgment would be framed. Indeed it is well said that to get the true intent and meaning of a decision, no specific portion thereof should be resorted to but same must be considered in its entirety (Escarella vs. Director of Lands, 83 Phil., 491; 46, Off. Gaz. No. 11, p. 5487; I Moran's Comments on the Rules of Court, 1957 ed., p. 478).

Whatever may have been the requisite formerly, it is evident that the sufficiency of the writing claimed to be a judgment must, at least under the code, be tested by its substance rather than by its form. If it corresponds with the definition of a judgment as established by the code; if it appears to have been intended by some competent tribunal as the determination of the rights of the parties to an action, and shows in intelligible language the relief granted, —its claim to confidence will not be lessened by a want of technical form, nor by the absence of language commonly deemed especially appropriate to formal judicial records (1 Freeman on Judgments, p. 121).

No strict formality in the language is necessary to express the adjudication of the court. The judgment is tested By its substance rather than by its form. It is sufficient if the entry shows that the issue between the parties has been passed upon by the court and the merits of the cause finally determined (Melton vs. St. Louis, I. M. & S. R. Co., 99 Ark. 433; 139 S. W. 289; Lutrell vs. Reynolds, 63 Ark. 254; 37 S. W. 1051).

It may be reiterated at this juncture that the bond was filed to guarantee the return of the money advanced to therein plaintiff Paula Aquino-Policarpio upon the reversal or "reduction" of the decision appealed from. Certainly, we are at a lose analyzing how a decision may be reduced unless it refers to the amount involved therein. Be that as it may, considering that the instrument was prepared by the surety company, the plaintiff's participation therein most likely being limited to the signing thereof, any doubt as to the interpretation of any condition thereof must be resolved against said compensated surety (Pacific Tobacco Corporation vs. Lorenzana, 102 Phil., 234). The phrase should, therefore, be properly read "reversal or modification". Whether it be under the

dispositive part or based on the judgment of the Court in said appeal (G. R. No. L10062), the surety cannot escape the liability of insuring the return of the amount delivered by herein appellee to Policarpio.

It appearing, however, that in the meeting of the Philippine Veterans Board of November 29, 1956, Policarpio's application for restoration of her pension benefits was duly and favorably considered, the payment of the monthly sum of P50.00 to commence on November 29, 1956, the liability of Policarpio and the surety company to return the amount of P2,000.00 may be compensated or reduced by whatever amount still remains uncollected and due to Policarpio as pension from November 29, 1956, to the date of the restoration.

As thus modified, the order of the lower court is hereby affirmed, without costs. It is so ordered.

Paras, C. J., Bengzon, Padilla, Montemayor, Bautista Angelo, Labrador, Concepcion and Endencia, JJ., concur.

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