

MANILA SURETY & FIDELITY CO., INC., PLAINTIFF AND APPELLEE, VS. VALENTIN R. LIM, DEFENDANT AND APPELLANT.

G. R. No. L-9343. December 29, 1959

Ponente: ENDENCIA, J.

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ENDENCIA, J.:

This is an appeal from a decision rendered by the Court of First Instance of Manila ordering the defendant Valentin R. Lim to pay to the plaintiff the sum of P1000 with legal interest from July 26, 1951, with costs. The appeal is predicated on the proposition that the lower court erred:

- In holding and ordering appellant to return the sum of P1000 to appellee;
- In ordering reimbursement merely because the order under which appellee made payment was subsequently set aside and in failing to rule that reasons of equity entitle appellant to retain the amount delivered; and
- In assuming jurisdiction of the action that give rise to the present appeal.

The present case is an offshoot of the decision rendered by Us on December 29, 1949 in cases G. R. Nos. L-2717, 2718 and 2767[*], wherein we declared that damages suffered by reason of the issuance of a writ of preliminary injunction must be claimed, ascertained and awarded in the final judgment, and that the damages awarded therein in favor of defendant Valentin R. Lim by reason of the issuance of the preliminary injunctions in civil cases Nos. 487 and 7674 of the Court of First Instance of Rizal, were granted in violation of Section 9 of Rule 60 in connection with Section 20 of Rule 59 of the Rules of Court, for said damages were not included in the decision and were awarded long time after it became final and executory. "Facundo vs. Tan, 85 Phil., 249, 47 Off. Gaz., 2912.

The factual background of the present case is as follows: On February 26, 1946, in civil case No. 32 of the Justice of the Peace Court of Pasay, Valentin R. Lim obtained a judgment against Irineo Facundo, "ordering the latter to vacate the premises described in the complaint and to pay the plaintiff a monthly rental of P100 from February 18, 1955 until the defendant vacate the premises and to pay the costs." Irineo Facundo did not appeal from the decision but instead caused the filing of a special civil action for certiorari and prohibition (Case No. 7674) in the Court of First Instance of Rizal, entitled Irineo Facundo, petitioner, vs. Jose M. Santos, ex-Justice of the Peace of Pasay, Ricardo C. Robles, as Justice of the Peace of Pasay, and Valentin R. Lim, respondents, wherein a writ of preliminary injunction was issued upon the filing by Facundo of a bond in the sum of P1000, which bond was posted by the Manila Surety & Fidelity Co., Inc. On June 21, 1946, this case was dismissed by the Court of First Instance of Rizal and the dismissal' was subsequently affirmed on appeal by the Supreme Court on December 17, 1946.

On July 29, 1948, Valentin R. Lim filed with the Court of First Instance of Rizal, in said case No. 7694, a motion for the determination of damages sustained by him for uncollected rentals due to the issuance of the above-mentioned writ of preliminary injunction in said case. Despite the fact that the decision in that

case—wherein no damages were awarded to appellant Lim—had already become final two years more or less from the date of said judgment, the Court of First Instance of Rizal, on September 30, 1948, allowed appellant Lim to prove said damages, awarded them and ordered the confiscation of the bond posted by the Manila Surety & Fidelity Co., Inc. and directed the latter to pay appellant Lim the sum of P1000, which order gave rise to a petition for certiorari filed and docketed in this Court as G. R. No. L-2718.

On April 9, 1948, Irineo Facundo filed in the Court of First Instance of Rizal a special civil action for prohibition against Lucio M. Tiangco as municipal Judge of Rizal City, and Valentin R. Lim, wherein he prayed that a writ of preliminary injunction be issued upon filing a bond of P1000 to prevent Judge Tiangco from issuing an alias writ of execution in civil case No. 32 of his court. Upon Facundo's filing of the bond which was posted by the Manila Surety & Fidelity Co., Inc., the court issued the corresponding preliminary injunction. On April 24, 1948, the court dismissed this case and dissolved the writ of preliminary injunction; hence on July 29, 1948, appellant filed a petition with said court asking for damages sustained by him for failure to collect the rentals because of the issuance of the aforementioned preliminary injunction; and despite the fact that the decision in said civil case No. 487—wherein no damages were awarded for the issuance of said preliminary injunction— had become final on May 9, 1948, the Court of First Instance of Rizal allowed the damages sought for, ordered the confiscation of the bond posted by the Manila Surety & Fidelity Co., Inc., and directed the latter to pay to Lim the full value of said bond. This order gave rise to a petition with this Court, docketed as G. R. No. L-2717.

Thereafter, or to be more exact, on January 24, 1949, the Court of First Instance of Rizal issued a writ of execution in the aforementioned cases Nos. 487 and 7674, directing the Sheriff of Manila to require the Manila Surety & Fidelity Co., Inc. to pay to appellant Valentin R. Lim the sum of P1000 in satisfaction of its liability under the preliminary injunction bond, and in compliance with the writ of execution, the Manila Surety & Fidelity Co., Inc., herein appellee, delivered to the Sheriff of Manila the sum of P1,015.01 in full satisfaction of the writ of execution and the fees of the Sheriff, of which amount the sum of P 1000 was delivered by the Sheriff to appellant Valentin R. Lim.

On December 29, 1949, we declared that the writs of execution issued in civil cases Nos. 487 and 7674 of the Court of First Instance were null and void, and on January 21, 1951, the herein plaintiff-appellee demanded from the defendant-appellant the immediate reimbursement of the payment it made in compliance with said writs, but the herein defendant-appellant refused to return the abover mentioned amount of P1,015.01, herfee plaintiff-appellee initiated the present action.

The main contention of defendant-appellant is that plaintiff-appellee has paid voluntarily its natural obligation and therefore is precluded from recovering that which was delivered to defendant-appellant, and that the requisites of solutio indebiti which is the only basis for the return of the amount paid do not exist in the present case. Appellant invokes the following provisions of the Civil Code:

"ART. 1423. Natural obligations, not being based on positive law but on equity and natural law, do not grant a right of action to enforce their performance, but after voluntary fulfillment by the obligor, they authorize the retention of what has been delivered or rendered by reason thereof".

"ART. 1424. When a right to sue upon a civil obligation has lapsed by extinctive prescription, the obligor who voluntarily performs the contract cannot recover what he has delivered or the value of the service he has rendered".

"Art. 1428. When, after an action to enforce a civil obligations has failed, the defendant voluntarily perform the obligations, he cannot demand the return of what he has delivered or the payment of the value of the service he has rendered".

Upon careful examination of the foregoing provisions of law and the undisputed facts of the case, we find appellant's contention to be untenable, for the payment made by the herein plaintiff-appellee to defendant-appellant was not voluntary, it was thru a coercive process of the writ of execution issued at the instance and insistence of the defendant-appellant. Certainly, were it not for said writ of execution, plaintiff-appellee would not have paid to defendant-appellant the amount in question. It should be noted that at the time the said writ of execution was issued, the right of defendant-appellant to damages caused unto him by reason of his inability to collect the rents of the property involved in civil cases Nos. 487 and 7674, was still pending determination by the Supreme Court, and had defendant-appellant waited for the final decision of the Supreme Court on said damages, surely he would not have caused the issuance of the writ of execution in said civil cases and thus compel plaintiff-appellee to pay to him the aforementioned sum of P1,015.01.

It is contented by defendant-appellant that there is no justification for ordering the return of the amount in question as the court below did, for in the present case, the requisites of *solutio indebiti* do not exist. But the instant case does not fall under the provisions of Article 2154; it is based on the theory that the judgment upon which the plaintiff-appellee made payment was declared null and void and consequently the execution of said judgment and the payment made thereunder were also null and void. It is quite a settled rule that damages caused by the issuance of a preliminary injunction should be adjudicated in the final judgment rendered in the case in which the injunction was issued. In civil cases Nos. 487 and 7674 of the Court of First Instance of Rizal, the award of damages was done after the decision on the merit of said cases became final, so said award was illegal, for which no writ of execution could be validly issued. Evidently, the order of September 30, 1949 of the Court of First Instance of Rizal whereby it awarded damages and ordered the forfeiture and execution of plaintiff's bond in each of said two cases, is null and void, it having been issued in violation of the Rules of Court.

Defendant-appellant lastly raises the question of jurisdiction of the court below, claiming that the present action should have been filed with the Court of First Instance of Rizal and citing as follows:

"A court which takes cognizance of an action over which it has jurisdiction and power to afford complete relief has the exclusive right to dispose of the controversy without interference from, other courts of concurrent jurisdiction in which similar actions are subsequently instituted between the same parties seeking similar remedies and involving the same questions." (21 C.J.S. 745). (Italics supplied)

"* * * every court has the inherent power, for the advancement of justice, to correct errors of its ministerial officer and to control its own process." (Dimayuga vs. Raymundo, et al., 76 Phil., 143.)

"Independent of any statutory provision, we assert that every court has inherent power to do all things reasonably necessary for the administration of justice within the scope of its jurisdiction." (Shioji vs. Harvey, 43 Phil., 333.)

Appellant's contention is untenable. The present action is for a sum of money and all the parties involved are residents of the City of Manila as averred in paragraph 1 of the complaint. Under Sec. 1 of Rule 5 of the Rules of Court, civil actions like the one in question may be commenced and tried where the defendant or any of the defendants resides or may be found or where the plaintiff or any of the plaintiffs resides, at the election of the plaintiff.

Wherefore, finding no error in the decision appealed from the same is hereby affirmed, with costs.

Paras, C. J., Bautista Angelo, Labrador, Reyes, J. B. L., Barrera, and Gutierrez David, JJ., concur.
Concepcion, J., concurs in the result.

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