

UNION BANK OF THE PHILIPPINES, PETITIONER, VS. PACIFIC EQUIPMENT CORPORATION, ANTOLIN M. ORETA, SR., AND ALFONSO V. CASIMIRO, RESPONDENTS.

G.R. No. 172053. October 06, 2008

Ponente: NACHURA, J.

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NACHURA, J.:

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court seeking to set aside the Court of Appeals (CA) Decision[1] dated September 16, 2005 and its Resolution[2] dated March 27, 2006, in CA-G.R. SP No. 90053.

The facts of the case, as culled from the records, are as follows:

In July 1986, petitioner Union Bank of the Philippines filed a Complaint[3] for Replevin and/or Sum of Money with Prayer for the Issuance of Preliminary Attachment against respondents Pacific Equipment Corporation, Antolin M. Oreta, Sr. and Alfonso V. Casimiro (and a certain John Doe), before the Regional Trial Court (RTC) of Makati City. The case was raffled to Branch 132 and was docketed as Civil Case No. 14429.

The RTC granted petitioner's prayer for attachment and issued the corresponding Writ of Attachment.[4] Pursuant to the writ, the sheriff levied upon and attached the following personal properties of the respondents: 1) three units of air compressor "Atlas Copco"; and 2) one unit of Poclairn GCH-120.[5] The attached properties were then delivered to petitioner for safekeeping.

Claiming that the attached properties were deteriorating, petitioner moved that it be authorized to sell them, and the proceeds thereof to be deposited in a bank.[6] Without awaiting the court's action on its motion, petitioner sold the attached properties.[7]

On the other hand, respondents filed a Motion for Leave to Put Up Counterbond[8] which the court granted on February 20, 1992.[9] Respondents thus put up a counterbond and, consequently, the writ of attachment was lifted.[10]

On motion of respondents, the court declared the earlier sale of the attached properties null and void, and fixed the price thereof at P3,850,000.00.[11] Thereafter, respondents moved that the said amount be turned over to them[12] which the court denied on December 8, 1998.[13] This prompted the respondents to elevate the matter to the CA via a Petition for Certiorari, Prohibition and Mandamus, claiming that the RTC had no authority to disallow them from withdrawing the proceeds of the sale as the lifting of the writ of attachment necessarily ensued with the submission of a counterbond.[14]

On July 10, 2001, the CA decided[15] in favor of respondents, disposing, as follows:

WHEREFORE, the assailed orders of the Regional Trial Court of Makati City are hereby MODIFIED, such that the petitioners' motion to turn-over the amount of P3,850,000.00, representing the proceeds of the

unauthorized sale of the attached equipment belonging to the petitioners is hereby GRANTED. The respondent bank is forthwith ordered to turn-over to the petitioners the said amount inclusive of interests earned from the date of sale.

SO ORDERED.[16]

With its motion for reconsideration denied by the CA,[17]petitioner filed a petition for review on certiorari before this Court in G.R. No. 150842.[18] We, however, denied the same for failure of the petitioner to sufficiently show that the CA committed a reversible error in the assailed decision and resolution.[19] We likewise denied with finality petitioner's motion for reconsideration.[20]

In view of the finality of the aforesaid decision, respondents filed a Motion for Execution[21] which the RTC granted in an Order[22] dated January 13, 2003. The RTC also denied petitioner's motion for reconsideration on June 9, 2004;[23] hence, the Writ of Execution[24] issued on even date. The pertinent portion of the writ reads as follows:

WE COMMAND you that of the goods and chattels of UNION BANK OF THE PHILIPPINES you cause to be made immediately the amount of THREE MILLION EIGHT HUNDRED FIFTY THOUSAND PESOS (P3,850,000.00), Philippine currency, together with legal interest of 12% per annum from May 1990 (with respect to the amount of P1,900.00 (sic) and from December 1990 (with respect to the amount of P1,950,000.00) x x x.[25]

Pursuant to the above writ,[26] the RTC issued Notices of Garnishment. Thereupon, petitioners filed an Extremely Urgent Motion to Quash Notices of Garnishment,[27]but the RTC upheld the validity of the writ of execution and the notices of garnishment in an Order dated May 23, 2005.[28]

Aggrieved, petitioners challenged the RTC orders before the CA in CA-G.R. SP No. 90053, primarily on the ground that the writ of execution did not conform to the decision sought to be executed.

On September 16, 2005, the CA rendered the assailed decision, the decretal portion of which reads:

WHEREFORE, premises considered:

- The petition is DISMISSED with respect to the assailed Orders dated January 13, 2003 and June 9, 2004.
- The Writ of Execution dated June 9, 2004 is hereby ANNULLED in so far as it imposes 12% per annum interest on the P3,850,000.00 due from Union Bank to the private respondents, from the [date] of the sale of the attached properties up to the day before the finality on April 3, 2002 of the Decision subject to execution. The applicable interest for this period on the P3,850,000.00 due is 6% per annum. The applicable interest from April 3, 2002 is 12% per annum on the balance until the amount of P3,850,000.00 is fully paid.
- The assailed order dated May 23, 2005 is hereby DECLARED valid.

SO ORDERED.[29]

The CA considered the petition to have been filed out of time insofar as the Orders dated January 13, 2003 (granting the issuance of writ of execution) and June 9, 2004 (denying petitioner's motion for reconsideration), were concerned, since the petition was filed a year after the receipt of said orders.[30] Thus, the CA could no longer review the propriety of the issuance of the writ of execution. The only remaining issues for consideration, according to the appellate court, were: 1) whether the writ was in conformity with the decision to be executed; and 2) whether the writ was valid considering that it was signed only by an officer-in-charge.[31]

In sustaining the validity of the writ of execution, the appellate court held that the decision sought to be executed categorically imposed interest and even defined when interest should run, except that the rate of interest to be

imposed was not specifically stated. The appellate court thus proceeded to determine the applicable interest rate, that is, 6% per annum from the date of the sale until the day prior to the finality of the decision to be executed (which is April 3, 2002); and 12% per annum after said date until full payment.[32] Considering that the RTC issued an order upholding the validity of the writ of execution, the CA considered as ratified the writ signed only by an officer-in-charge.[33]

Petitioner's motion for reconsideration was also denied by the CA; hence, the instant petition for review on certiorari raising the following issues:

WHETHER OR NOT THE COURT OF APPEALS GRAVELY ERRED AND ACTED IN A MANNER CONTRARY TO LAW AND JURISPRUDENCE WHEN IT UPHELD THE VALIDITY OF THE SUBJECT WRIT OF EXECUTION.

WHETHER OR NOT THE COURT OF APPEALS GRAVELY ERRED AND ACTED IN A MANNER CONTRARY TO LAW AND JURISPRUDENCE WHEN IT DECLARED THAT THE ASSAILED ORDERS DATED 13 JANUARY 2003 AND 09 JUNE 2004 COULD NO LONGER BE SUBJECT TO REVIEW.[34]

We deny the petition.

Stripped of non-essentials, the issue for resolution is whether the writ of execution is in conformity with the decision sought to be implemented.

Petitioner insists that the CA, in the decision sought to be implemented, awarded only the sum of P3,850,000.00 inclusive of interests. In the writ of execution implementing the aforesaid decision, the RTC, aside from the above amount, awarded additional 12% thereof representing the interests earned from the date of the sale. This, according to the petitioner, clearly showed grievous error on the part of the trial court. The CA, for its part, subsequently affirmed the RTC's conclusion with a slight modification of the rate imposed by the latter.

After a careful scrutiny of the records of the case, we find no cogent reason to depart from the appellate court's decision.

We would like to stress that the instant petition is limited to the examination of the questioned writ of execution, in relation to the July 10, 2001 CA decision which had already attained finality. As we have repeatedly held in a number of cases,[35] a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect even if the modification is meant to correct erroneous conclusions of fact or law, and whether it will be made by the court that rendered it or by the highest court of the land. The reason for this is that litigation must end and terminate sometime and somewhere; and it is essential for the effective and efficient administration of justice that, once a judgment has become final, the winning party be not deprived of the fruits of the verdict. Courts must guard against any scheme calculated to bring about that result and frown upon any attempt to prolong the controversies. The only exceptions to the general rule are the correction of clerical errors, the so-called *nunc pro tunc* entries which cause no prejudice to any party, void judgments, and whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable.

To be sure, the resolution by the court of a given issue embodied in the *fallo* or dispositive part of a decision or order is the controlling factor as to settlement of rights of the parties. Thus, where there is a conflict between the *fallo* and the *ratio decidendi* or body of the decision, the *fallo* controls. This rule rests on the theory that the *fallo* is the final order, while the opinion in the body is merely a statement ordering nothing. However, the rule applies only when the dispositive part of a final decision or order is definite, clear and unequivocal, and can wholly be given effect without need of interpretation or construction.[36]

Ostensibly, it appears that the fallo of the July 10, 2001 CA decision is clear and leaves no room for doubt, as it ordered the turnover of P3,850,000.00 by the petitioner to the respondents. A closer scrutiny thereof, however, reveals that, as worded, the same is not, after all, clear, definite and unequivocal. Otherwise stated, a reading of the first sentence alone conveys the clear message that the CA recognized that the amount of P3,850,000.00 represented the proceeds of the sale. On the other hand, the second sentence tells us that the amount not only represented the proceeds of the sale, but included the interests earned from the date of the sale. This ambiguity must be clarified and, thus, we resort to ascertaining the real intention of the appellate court in the decision sought to be implemented.

First, the way the dispositive portion was framed indicates the CA's intention to award not only the proceeds of the sale but also interests earned from the date of the sale. Had the appellate court intended to hold the petitioner liable for only P3,850,000.00, the first sentence thereof would have sufficed, as it had already specifically granted respondents' motion for the petitioner to turn over the proceeds of the sale. In continuing with the second sentence thereof, which mentioned the "interest earned from the date of the sale," the CA clearly wanted interests to be awarded, computed from the date of the unauthorized sale. To construe the fallo otherwise would invite a conflict between the first and the second sentences; or imply that the CA inserted said phrase[37] only as a mere surplusage.

Second, the appellate court itself confirmed, in the questioned decision, that the proceeds of the unauthorized sale amounted to P3,850,000.00. Said confirmation/recognition was shown in the dispositive portion, specifically the first sentence thereof, when it said that "the petitioners' motion to turn over the amount of P3,850,000.00, representing the proceeds of the unauthorized sale[38] of the attached equipment belonging to the petitioners is hereby GRANTED." [39] It would not make sense, therefore, if in the end, we consider the interests earned as part of the above-mentioned amount. It would be inappropriate for a court to mean one thing in one sentence and then mean another thing in the immediately succeeding sentence. In the interest of justice, it is the court's duty, especially in the implementation of the decision, to reconcile the words and phrases used in the disposition of the case.

Lastly, the records show that the amount of P3,850,000.00 was fixed by the RTC in Civil Case No. 14429, on motion of the respondents, as the proceeds of the unauthorized sale. The same was embodied in an Order[40] dated May 20, 1994. Petitioner cannot now be permitted to raise anew its previous stand that the correct valuation of the subject properties was P480,000.00. Assuming that petitioner was correct in saying that the proceeds of the sale amounted only to P480,000.00, it is highly improbable that the same would earn an interest of P3,370,000.00 in four years' time, such that the amount due the respondents would be P3,850,000.00 (the proceeds of the sale, inclusive of interests).

The constant reference to the amount of P3,850,000.00 as the proceeds of the unauthorized sale, coupled with the appellate court's inclusion in the dispositive portion of the decision of the phrase "interest from the date of the unauthorized sale," raises the ineluctable conclusion that the CA undoubtedly intended interest to be awarded in addition to the aforesaid amount.

As to the proper rate of imposable interest, we sustain the CA's conclusion in the assailed decision, and we quote with approval its ratiocination in this wise:

As the records of this case show and as found in the Decision of the previous petition for certiorari, the present case involves the return of attached properties after the filing of a counterbond. The properties could not be returned because they had been sold without the authority of the court; hence, the proceeds of the sale were demanded. Since the replacement value (or actual damages) of the attached properties is involved in this case rather than the loan or forbearance of money, goods, or credits, the interest should be at 6% per annum, due

from the time stated in the Decision in the previous certiorari case, i.e., from the time of the sale. Interest of 12% per annum is imposable from April 3, 2002 - the date the judgment of this Court became final - until full satisfaction. To the extent that the writ of execution imposed 12% prior to the finality of the Decision in the previous certiorari case, the writ is highly irregular as the collectible amount is outside the jurisdiction of the RTC to impose under the terms of the Decision in the previous certiorari case. To this extent, the lower court committed grave abuse of discretion and [the] writ of execution it caused to be issued and approved should be rectified.[41]

Petitioner further contends that the writ of execution should not have been implemented, given the present circumstances and the supervening events that transpired, i.e., the failure of respondent corporation to operate since 1981.

The contention is bereft of merit.

Supervening events refer to facts which transpire after the judgment has become final and executory, or to new circumstances which develop after the judgment has acquired finality, including matters which the parties were not aware of prior to or during the trial, as they were not yet in existence at that time. In such case, the court is allowed to admit evidence of new facts and circumstances and thereafter to suspend execution of the judgment and grant relief as may be warranted which may or may not result in its modification.[42] In the instant case, the complaint was filed in 1986; the decision sought to be implemented was rendered in 2001; and the writ of execution was issued in 2004. Clearly, the alleged failure of the respondent corporation to operate since 1981 was not a supervening event. Rather, it was an existing fact which the petitioner ignored for the longest time, only to raise it later as a convenient excuse to evade its obligation under the writ of execution.

More importantly, the existence of respondent corporation as a juridical entity remains, as no action has been specifically instituted against it. There being no evidence to the contrary, we accept respondents' representation that the existence of the corporation has been extended up to 2053.

We likewise affirm respondent Alfonso Casimiro's right to receive the proceeds of the sale. Records show that petitioner itself impleaded him (Casimiro) as a party-defendant, thus, making him liable for the sum of money sought to be collected (in the principal action for collection). After the issuance of the writ of preliminary attachment, respondent corporation and the spouses Casimiro jointly posted a counterbond with Zurich Insurance Corporation as the surety.[43] As such, Casimiro is in a position to receive the proceeds of the sale pursuant to the questioned - now validated - writ of execution.

WHEREFORE, the petition is hereby DENIED. The Court of Appeals Decision dated September 16, 2005 and its Resolution dated March 27, 2006, in CA-G.R. SP No. 90053 are AFFIRMED.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Reyes, JJ., concur.

[1]Penned by Associate Justice Arturo D. Brion, with Associate Justices Eugenio S. Labitoria and Hakim S. Abdulwahid, concurring; rollo, pp. 51-74.

[2] Rollo, pp. 75-83.

[3] CA rollo, pp. 45-56.

[4] Id. at 58.

[5] Id. at 57.

[6] Id. at 70-72.

[7] Rollo, p. 54.

[8] CA rollo, pp. 94-95.

[9] Id. at 113-114.

[10] Id. at 142-146.

[11] Id. at 154-157.

[12] Id. at 190-192.

[13] Id. at 194.

[14] Rollo, p. 54.

[15] Penned by Associate Justice Rodrigo V. Cosico, with Associate Justices Ramon A. Barcelona and Alicia L. Santos, concurring; CA rollo, pp. 195-202.

[16] CA rollo, p. 202.

[17] Id. at 204-205.

[18] Id. at 206-227.

[19] Id. at 243.

[20] Id. at 277.

[21] Id. at 278-280.

[22] Id. at 40-41.

[23] Id. at 42.

[24] Id. at 323-324.

[25] Id. at 323.

[26] Id. at 298-299.

[27] Id. at 301-307.

[28] Id. at 43-44.

[29] Rollo, pp. 72-73.

[30] Id. at 61-64.

[31] Id. at 64.

[32] Id. at 68-73.

[33] Id. at 71-72.

[34] Id. at 821-822.

[35] Lee v. Regional Trial Court of Quezon City, Br. 85, G.R. No. 146006, April 22, 2005, 456 SCRA 538, 553-554; Mayon Estate Corporation v. Altura, G.R. No. 134462, October 18, 2004, 440 SCRA 377, 386; Sacdalan v. Court of Appeals, G.R. No. 128967, May 20, 2004, 428 SCRA 586, 599.

[36] Obra v. Badua, G.R. No. 149125, August 9, 2007, 529 SCRA 621, 626.

[37] "interest earned from the date of the sale"

[38] Emphasis supplied.

[39] Rollo, p. 202.

[40] Id. at 134-137.

[41] Id. at 70-71.

[42] Jose Clavano, Inc. v. Housing and Land Use Regulatory Board, 428 Phil. 208, 228 (2002).

[43] Rollo, p. 632.

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