

## SECOND DIVISION

**[ G.R. No. 112288, February 20, 1997 ]**

**DELSAN TRANSPORT LINES, INC., PETITIONER, VS. COURT OF  
APPEALS AND AMERICAN HOME ASSURANCE COMPANY,  
RESPONDENTS.  
D E C I S I O N**

**MENDOZA, J.:**

The matter of execution of judgment, oftentimes called the fruit of litigation, is at issue in this case. The facts are as follows:

On December 23, 1980, private respondent American Home Assurance Company filed an action for sum of money against petitioner Delsan Transport Lines in the Regional Trial Court of Pasig. The case was docketed as Civil Case No. 39720 and eventually assigned to Branch 160 of the court.

On July 22, 1991, the RTC rendered a decision<sup>[1]</sup> ordering petitioner to pay private respondent the amount of P1,180,115.77 with legal interest from the time of filing of the complaint until fully paid, attorney's fees equivalent to 20% of the principal claim, and costs.

Petitioner received a copy of the decision on August 21, 1991. On September 9, 1991, through its counsel Atty. Noel L. Montilla of the Montilla Law Office, petitioner filed a notice of appeal. On July 13, 1992, however, petitioner moved for the dismissal of its appeal on the ground that the judgment in Civil Case No. 39720 had already been fully satisfied. Attached to its motion was a pleading denominated as "Satisfaction of Judgment" dated August 26, 1991.<sup>[2]</sup> The pleading, purporting to have been filed with the RTC, was signed by Atty. Noel L. Montilla on behalf of petitioner and by Atty. Manuel N. Camacho of Camacho and Associates on behalf of private respondent. It stated that "on August 22, 1991, the aforementioned judgment [in Civil Case No. 39720] was duly satisfied, the debtor [petitioner] having paid the entire amount adjudged therein against him."

Acting on petitioner's motion, the Court of Appeals, in its resolution of July 30, 1992, dismissed the appeal. On March 22, 1993, however, private respondent through a new counsel, filed in the RTC a motion for the execution of the judgment in its favor. It alleged that contrary to what was stated in the "Satisfaction of Judgment," no money had actually been remitted to it and that unless petitioner and its counsel could show proof of payment of the judgment and name the person to whom the amount had been paid, it was entitled to the execution of the judgment which had long become final and executory.

Petitioner opposed the motion for execution.

On May 26, 1993<sup>[3]</sup>, the RTC granted private respondent's motion and ordered the

issuance of a writ of execution. The RTC held that, as the judgment had become final and executory, execution had become a matter of right. The court held that it was incumbent on petitioner to prove that it had already paid the judgment, but petitioner failed to do so.

Petitioner through Atty. Patricia Angeles R. Cataquiz of the Montilla Law Office filed a petition for certiorari with prayer for preliminary injunction in the Court of Appeals, docketed as CA-G.R. SP No. 31256. Atty. Cataquiz alleged that Atty. Noel Montilla filed an appeal unaware that payment had already been made to private respondent and that under Rule 131, §3(p) the presumption was that the "Satisfaction of Judgment" was regular.

In its comment, private respondent claimed that petitioner's notice of appeal from the RTC decision was in fact filed late; that it was improbable that Atty. Montilla, who had allegedly signed the satisfaction of judgment, did not know about it and therefore filed a notice of appeal; that petitioner only moved to dismiss its appeal after more than ten months; and that the RTC denied that the "Satisfaction of Judgment" had ever been filed with it and indeed the copy of the document did not show that it had been filed with the RTC.

The Court of Appeals in its decision dated July 30, 1993<sup>[4]</sup> dismissed the petition for lack of merit and ordered petitioner and counsel to pay double costs. It further referred the case to the Provincial Prosecutor of Pasig, Rizal for possible criminal prosecution for Falsification of Document of petitioner and its counsel, Atty. Patricia Angeles R. Cataquiz of the Montilla Law Office, and others who might have participated in the execution of the spurious document. The Court of Appeals found:  
<sup>[5]</sup>

There is something terribly wrong with the instant petition as petitioner claims having fully satisfied the judgment of the respondent court in the enormous amount of more than P1.1 Million, and yet could not produce a small receipt, or even the check evidencing said payment to private respondent. Certainly, said huge amount of money deserved at least, a receipt especially from private respondent corporation. Yet, all the petitioner could show to the Court as proof of satisfaction of the judgment of respondent court in favor of the plaintiff is an uncertified xerox copy of a pleading entitled "Satisfaction of Judgment" dated August 26, 1991 allegedly signed by Atty. Manuel N. Camacho for plaintiff and Atty. Noel L. Montilla for defendant (p. 14, Rollo).

The above document purporting to be satisfaction of judgment appears on its face as filed with respondent court which court in its order dated June 10, 1993 repudiated said document as not being filed at all, in the said court (pp. 29-30, id.). Having realized that said document was never filed at all with respondent court, and that they could be held liable by this Court for misrepresentation, petitioner and counsel filed a manifestation with this Court on July 16, 1993, that indeed, they did not file said document with respondent court (pp. 19-20, id.). But still, petitioner and counsel insist that payment of the judgment obligation had been made by petitioner to private respondent on the basis of said document.

It is obvious that petitioner and counsel are simply lying as to their alleged payment of the obligation. As stated earlier, the document purporting to be "Satisfaction of Judgment" was never filed with respondent court. Private respondent likewise denied having signed said document, either by itself or counsel. Moreover, if it were true that said satisfaction of judgment was made by petitioner and counsel on August 26, 1991, said petitioner did not have to file their notice of appeal on September 9, 1991, or fourteen days later from the signing of the said document on satisfaction of judgment.

We do not believe petitioner's arguments that law firms as a matter of course, would immediately file their notice of appeal from adverse judgments to stay the running of the prescriptive period to appeal. We cannot agree with such a sweeping statement for We still believe that law firms file their notice of appeal taking into consideration the merits of their case. Besides, as correctly pointed out by private respondent both document on satisfaction of judgment, and the notice of appeal were signed by Atty. Noel L. Montilla for defendant, so that if defendant, herein petitioner, had paid the obligation, Atty. Montilla did not have to file his notice of appeal, two weeks later. Moreover, Atty. Montilla could not claim failure of memory of petitioner's alleged payment as an excuse of filing his notice of appeal considering the very big amount involved of more than P1.1 Million, in this case which amount could hardly slip from one's mind.

The fact that petitioner's appeal with the Court was dismissed upon motion of petitioner based on the alleged satisfaction of debt, is no evidence that it paid the judgment obligation. Petitioner as appellant moving for the dismissal of its own appeal with the Court would simply get its desired dismissal being the appealing party. Besides, said appeal would have been dismissed just the same for having been filed out of time considering that the notice of appeal was filed by petitioner only on September 9, 1991, or nineteen days after it received copy of the decision on August 21, 1991.

Petitioner even challenges private respondent to prove that it (petitioner) has not paid the said judgment obligation, given its said document on satisfaction of judgment. Upon the other hand, all that petitioner has to do in this case is to present the receipt of payment, or even at least its check for more than P1.1 Million evidencing its payment. Petitioner cannot hide behind its erroneous reference to Sec. 1, Rule 39 of the Revised Rules of court on execution of final judgment. We are convinced that petitioner did not pay yet its judgment obligation to private respondent.

Even after the decision of the appellate court had been rendered, Atty. Cataquiz still filed on August 6, 1993 a reply in which she pointed out that private respondent did not question the fact that its former counsel, Atty. Camacho, had signed the "Satisfaction of Judgment." Atty. Cataquiz argued that in view of the parties' conflicting allegations, the trial court should have held a hearing for reception of the parties' evidence.