

SECOND DIVISION

[G.R. No. 171176, September 04, 2009]

**NATIONAL CORPORATION, POWER PETITIONER, VS.
PHILIPPINE COMMERCIAL AND INDUSTRIAL BANK (NOW
PHILIPPINE COMMERCIAL INTERNATIONAL BANK),
RESPONDENT.**

D E C I S I O N

BRION, J.:

This Decision resolves the **petition for review on certiorari**^[1] filed by the National Power Corporation (NPC) to assail the decision^[2] dated January 19, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 32745, entitled "*National Power Corporation v. Hon. Vetino E. Reyes, in his capacity as Presiding Judge of the Regional Trial Court of Manila, Branch 4, and the Philippine Commercial And industrial Bank (now Philippine Commercial International Bank)*".

FACTUAL BACKGROUND

This petition has its roots in the complaint for a sum of money filed by the Philippine Commercial International Bank (PCIB) against B.R. Sebastian and Associates, Inc. (*Sebastian*), docketed as Civil Case No. 79092 in the then Court of First Instance of Manila, Branch II {CFI Branch II}. In its decision dated November 26, 1970, CFI Branch II found defendant Sebastian liable to plaintiff PCIB as follows:

WHEREFORE, the Court hereby renders judgment in favor of the plaintiff and against the defendants, as follows:

1. On the First Cause of Action, ordering defendant B.R. Sebastian & Associates, Inc. to pay the plaintiff the sum of P151,306.40, plus daily interest of P42.569 from February 18, 1970 and other bank charges, until complete payment is made;
2. On the Second, Third and Fourth and/or Alternative Cause of Action, ordering the defendants, jointly and severally, to pay the plaintiff the total sum of P181,786.23 **inclusive** of marginal deposits, interest, commission and other bank charges as of September 26, 1969 and thereafter, **plus interests and other bank charges until complete payment is made;**
3. On all Causes of Action, ordering the defendants, jointly and severally to pay P20,000.00 as attorney's fees and costs of suit.

SO ORDERED. [Emphasis supplied]

The CA affirmed the CFI Branch II decision. The CA decision itself lapsed to finality on March 2, 1972.

Before the CFI Branch II decision in favor of PCIB could be executed, Sebastian filed a complaint against the NPC for the collection of a sum of money. The complaint, filed with the Court of First Instance of Manila, Branch XX (*CFI Branch XX*) and docketed as Civil Case No. 77140, resulted in a decision requiring the NPC to pay Sebastian the sum of Two Million, Seven Thousand, One Hundred Fifty-Seven Pesos (P2,007,157.00). This CFI Branch XX decision became final on June 20, 1976.

On July 20, 1976, CFI Branch II issued an *alias* writ of execution in Civil Case No. 79092 that became the basis for the issuance on July 21, 1976 of a Notice of Garnishment by the Sheriff of Manila, attaching and levying on all the "good(s), effects, moneys in the possession and control of NPC, particularly the judgment in Civil Case No. 77140 in the amount of Two Million Seven Thousand One Hundred Fifty-Seven Pesos (P2,007,157.00), to satisfy the amount of Five Hundred Eighty Thousand Two Hundred Twenty-Eight (P580,228.19)." The amount to be satisfied is Sebastian's liability in Civil Case No. 79092.

In due course, CFI Branch II issued an Order dated March 11, 1978 directing NPC to deliver to the Sheriff of Manila or PCIB the amount it held for Sebastian equivalent to the money judgment. The NPC complied by delivering PNB Check No. 739673 dated June 29, 1978 in the amount of Two Hundred Forty-Nine Thousand, Two Hundred Fifty-Six Pesos and Seventy-Four Centavos (P249,256.74) as partial compliance with the Notice of Garnishment.

On November 8, 1988, PCIB filed a motion with the then CFI Branch II (now referred to as the Regional Trial Court of Manila, Branch 4, or *RTC*) to require the NPC to satisfy the judgment in Civil Case No. 79092 and to remit the unsatisfied amount of Three Hundred Forty Thousand, Nine Hundred Seventy-One Pesos and Forty-Five Centavos (P340,971.45), plus interests and other bank charges from July 21, 1976 until full payment is made. The NPC opposed the motion on the ground that the RTC had not acquired jurisdiction over it, as it had not been duly summoned.

On April 21, 1989, the RTC issued an order directing NPC to satisfy its November 26, 1970 judgment against Sebastian in Civil Case No. 79092.

This order, in part, states:

This treats of the Motion to Require the National Power Corporation to satisfy the judgment of November 26, 1970 filed by plaintiff thru counsel on December 17, 1988.

Plaintiffs motion stems from the decision of this court dated November 26, 1970 which found favor for the plaintiff. On July 21, 1976, the said decision was sought to be enforced by way of garnishment against the monies and credits of defendants which are in the possession of the National Power Corporation. Said entity, however, failed to remit the entire amount of the judgment leaving it partially satisfied. Plaintiff

proceeded to institute an independent court action to recover from the NPC the difference of the judgment amounting to P340,971.45 as of July 21, 1976, plus interest before the Regional Trial Court of Pasig, Br. CLVI, docketed as Civil Case No. 39255. Said court rendered judgment in favor of plaintiff.

On appeal to the Court of Appeals, the latter court affirmed the decision of the lower court and further ruled that this court retains jurisdiction to hold the NPC liable to the plaintiff to satisfy the judgment.

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Despite the said order and the assurance of Marcelino C. Ilao, Chief Legal Counsel of the National Power Corporation that he will deliver the money belonging to defendants in its possession, the latter has failed to comply. The NPC cannot now deny the jurisdiction of this court over it. It should likewise be noted at the outset that garnishment is a specie of attachment or execution which consists in the citation of some stranger to the litigation, who is debtor to one of the parties to the action. By these means such debtor stranger becomes a forced intervenor; and the court having acquired jurisdiction over his person by means of the citation, requires him to pay his debt not to his former creditor but to the new creditor who is creditor in the main litigation. (See *Tayabas Land Co. vs. Sharuff*, 41 Phil. 382).

Considering that the judgment in favor of the plaintiff has been unsatisfied, it is within the powers of the court to order the National Power Corporation, as the entity having legal custody of the same properties of the defendants, to turn over the same to the plaintiff.

WHEREFORE, the National Power Corporation is ordered anew to satisfy the judgment of this court dated November 26, 1970.

SO ORDERED. [Emphasis supplied]

The CA dismissed the petition for *certiorari* the NPC filed to question the above Order. The NPC then went to this Court on a petition for review, docketed as G.R. No. 93238. We dismissed the petition for lack of merit and, in so doing, held:

However, in the case at bar, it was the petitioner who caused the delay in the payment of the remaining balance of the aforesaid Notice of Garnishment. Therefore, the delay of more than 10 years from the time the judgment of November 26, 1970 became final and executory should not be counted in computing the 5-year period in executing a judgment by motion, since the delay was not respondent's doing but petitioner's. It is well-settled that:

In computing the time limited for suing out an execution, although there is authority to the contrary, the general rule is that there should not be included the time when execution is

stayed, either by agreement of the parties for a definite time, by injunction, by the taking of an appeal or writ of error so as to operate as a supersedeas, by the death of a party, or otherwise. Any interruption or delay occasioned by the debtor will extend the time within which the writ may be issued without scire facias.

Thus, the filing of respondent PCIB of a motion requiring petitioner to remit the unsatisfied amount of the Notice of Garnishment on November 8, 1988 is still seasonable and well within the 5-year period since the statute of limitations has been devised to operate primarily against those who slept on their rights and not against those desirous to act but cannot do so for causes beyond their control.

WHEREFORE, the petition is hereby DISMISSED for lack of merit.

SO ORDERED.

The NPC's motion for reconsideration suffered a similar fate in the Resolution we issued on October 7, 1992.

With the NPC's legal objections cleared, the RTC, in Civil Case No. 79092, directed the issuance of a writ of execution on June 30, 1993 "pursuant to the order of this court dated April 21, 1989, the same to be implemented by Deputy Sheriff Cezar C. Javier." The writ, issued on July 8, 1993, reads:

NOW WHEREFORE, **we command you that of the goods and chattels of National Power Corporation, you cause to be made the sum of P340,971.45, plus interest and other bank charges from July 21, 1976 until fully paid,** together with your lawful fees for service of this writ of execution, all in the Philippine currency which the plaintiff recovered in our Regional Trial Court of Manila, Branch IV on April 21, 1989, and that you render the same to the said plaintiff aside from your own fees on this execution and to likewise return this writ unto this Court within sixty (60) days from the date of receipt hereof with your proceedings indorsed hereon.

But if sufficient personal properties cannot be found whereof to satisfy this execution and lawful fees therein, then you are commanded that on the lands and buildings of said National Power Corporation, you cause to be made the said sums of money in the manner required by law and the Rules of Court and make return of your proceedings with this writ within sixty (60) days from the date of receipt hereof. [Emphasis supplied]

On August 9, 1993, the RTC issued an Alias Writ of Execution that provides:

Please be notified that an *alias* writ of execution was issued in the above-entitled case by the Honorable Vetino E. Reyes, Presiding Judge of the

Regional Trial Court of Manila, Branch IV, copy herewith attached and being served upon you.

By virtue of said Writ of Execution, you are hereby ordered to pay the above-stated plaintiff through the undersigned Branch Sheriff the total amount of One Million Eight Hundred Sixty Four Thousand Eight Hundred Ten & 74/100 as of June 30, 1993 (as per plaintiff bank computation-copy of said computation is hereto attached), within five (5) days from receipt of this Notice.

Should you fail to comply with the above-stated demand within the grace period aforementioned, the undersigned Branch Sheriff formally notifies you that he would be constrained to use the full force of the law to implement the said Writ of Execution to fully satisfy the judgment in the above-entitled case.

Please be guided accordingly.

The amount sought to be collected was computed as follows:

Balance (Unsatisfied Court Judgment dated 11/26/70)	P340,971.45
Add: Interest at 14% p.a. from 7/21/76 to 6/30/93 (6,188 days)	820,528.25
Penalty at 12% p.a. from 7/21/76 to 6/30/93 (6,188 days)	<u>703,310.44</u>
Total Amount Due as of 6/30/92	<u>P1,864,810.74</u>

The NPC sought to quash the *alias* writ on the ground that it is liable to pay the garnished amount only in the sum of Three Hundred Forty

Thousand, Nine Hundred Seventy-One Pesos and Forty-Five Centavos (P340,971.45), but not the interest and bank charges added thereon. The RTC denied the NPC motion, whereupon the NPC went to the CA on a petition for *certiorari*, contending in the main that the RTC had no jurisdiction to require it to pay interest and bank charges on the garnished amount where these additional charges went beyond the amount specified in the Notice of Garnishment issued by the Sheriff on July 21, 1976. The CA's ruling requiring the NPC to pay the outstanding balance plus interests and back wages is the subject of this petition for review.

THE PETITION

The issue, as framed in the petition, is whether the CA erred in affirming the orders of the PvTC, that required the NPC to pay interest and bank charges on the garnished amount, where said interest and bank charges are over and beyond the amount specified in the notice of garnishment.