

Title: Republic of the Philippines v. Carmen M. Vda. de Castellvi, et al. [157 Phil. 329 (1974)]

Facts:

The Republic of the Philippines filed a complaint for eminent domain on June 26, 1959, seeking to expropriate a parcel of land in Floridablanca, Pampanga, registered in the name of the late Alfonso Castellvi, represented by Carmen M. Vda. de Castellvi (Castellvi), and two parcels registered in the name of Maria Nieves Toledo-Gozun (Toledo-Gozun). The Republic alleged that the fair market value of the lands did not exceed P259,669.10. Castellvi and Toledo-Gozun separately contested, valuing their lands at P15.00 per square meter, resulting in total values of P11,389,485.00 and P8,085,675.00, respectively. They also asserted damages due to the Republic's illegal occupation of the lands since July 1956.

The trial court ordered the Republic to deposit the provisional value and appointed three commissioners to ascertain the just compensation. After the Republic deposited the provisional value, it was placed in possession of the lands. The commissioners, after considering the suitability of the lands for residential subdivision and the owners' proposed plans, recommended the just compensation at P10.00 per square meter plus interest from when the Republic took possession, August 10, 1959, and additional compensation for Toledo-Gozun's improvements on the land.

The trial court, on May 26, 1961, largely accepted the commissioners' recommendations but ordered the Republic to also pay 6% interest per annum to Castellvi from July 1, 1956, when the Republic commenced illegal possession of her property, pending the outcome of expropriation proceedings. The Republic filed a motion for a new trial and/or reconsideration citing newly discovered evidence, which the trial court subsequently denied.

Issues:

1. Whether the "taking" of the properties for the purpose of eminent domain commenced with the execution of the leases with the Castellvi property by the Republic, or rather with the filing of the complaint.
2. Whether the fair market value determined by the lower court at P10.00 per square meter was just compensation for the lands.
3. Whether the imposition of 6% interest per annum from July 1, 1956, as ordered by the trial court, was proper.
4. Whether the lower court erred in denying the Republic's motion for a new trial based on

newly discovered evidence.

Court's Decision:

The Supreme Court modified the lower court's decision:

- (a) The lands of Castellvi and Toledo-Gozun were expropriated for public use.
- (b) The fair market value of the lands was fixed at P5.00 per square meter as just compensation.
- (c) The Republic was ordered to pay interest at the rate of 6% per annum only from the deposit of the provisional value.
- (d) The attorney's lien of Atty. Alberto Cacnio was recognized and enforced.

The appeal for the motion for a new trial was denied since the evidence presented could have been discovered before the trial and was immaterial to the nature of the expropriated properties.

Doctrine:

- The "taking" of property for purposes of eminent domain has legal requirements, which include the owner being ousted and deprived of the beneficial use of the property.
- Just compensation for expropriated property is determined at the fair market value at the time of "taking."
- Newly discovered evidence must fulfill certain conditions to warrant a new trial.

Class Notes:

- "Taking" in eminent domain involves formal expropriation proceedings and actual intent to expropriate by the government.
- Just compensation is relevant to the purpose for which property is suited, encompassing present use and its greatest market value potential.
- The Republic must pay only legal interest on compensation awarded, starting from the time of actual "taking" or court-seized possession.
- The fair market value of property is not determined by taxation assessments but by the real market value based on its highest and best use.

Historical Background:

The property in question had been under lease to the Republic since 1947. When the lease expired and the Republic continued to use the property without a new lease, Castellvi sought to eject the Republic's military forces. Subsequently, the Republic initiated expropriation proceedings. The final resolution of valuation in the Supreme Court takes into

consideration the appreciation of property values, the lease history, and the transformation from agricultural to residential potential, within a rapidly developing region near an established military base.