

**\*\*Title:\*\*** Office of the Solicitor General vs. Ayala Land Incorporated, et al.

**\*\*Facts:\*\***

This case involves a petition filed by the Office of the Solicitor General (OSG) against major shopping mall operators: Ayala Land Incorporated, Robinson's Land Corporation, Shangri-La Plaza Corporation, and SM Prime Holdings, Inc., seeking to compel them to provide free parking spaces in their malls. The mall operators maintain parking facilities, for which they charge fees. The Senate Committees on Trade and Commerce and on Justice and Human Rights conducted investigations into the legality and practice of charging parking fees by shopping malls, culminating in Senate Committee Report No. 225, which recommended that the OSG take action to enjoin the collection of parking fees, deemed contrary to the National Building Code.

Respondent SM Prime, anticipating legal action based on the Senate Committee's recommendations, preemptively filed a Petition for Declaratory Relief, aiming to establish its right to charge parking fees. Subsequently, the OSG also filed a petition seeking to prohibit the mall operators from charging parking fees, asserting that such practice violates the National Building Code.

The two cases were consolidated at the Regional Trial Court (RTC) of Makati, which ultimately decided that the mall operators were not obligated to provide free parking, a decision affirmed by both the Court of Appeals and the Supreme Court.

**\*\*Issues:\*\***

1. Whether the OSG has the capacity to initiate proceedings against the mall operators for charging parking fees.
2. Whether the National Building Code and its Implementing Rules and Regulations (IRR) mandate that mall operators provide parking facilities free of charge.
3. Whether the refusal of malls to provide free parking constitutes a taking of property without just compensation.

**\*\*Court's Decision:\*\***

The Supreme Court affirmed the decisions of both the lower court and the Court of Appeals, holding that the National Building Code and its IRR do not impose an obligation on mall operators to provide parking spaces free of charge. The Court reasoned that the Code only sets minimum standards for buildings, including the provision of parking spaces, but does not stipulate that such spaces should be offered for free. The request to mandate free

parking was seen as an overreach of police power, tantamount to taking private property without just compensation.

**\*\*Doctrine:\*\***

The case established that statutory provisions must be interpreted according to their literal meaning if they are clear and unambiguous. Obligations derived from law are not presumed but must be expressly stated. The regulation of property use under police power does not extend to a taking or confiscation of property without just compensation under the principle of eminent domain.

**\*\*Class Notes:\*\***

- **\*\*Statutory Interpretation\*\***: If a law is clear and unambiguous, it should be given its literal meaning.
- **\*\*Police Power vs. Eminent Domain\*\***: The regulation of property for public welfare (police power) does not include the power to confiscate without compensation, which is the domain of eminent domain.
- **\*\*Obligations from Law\*\***: Only those obligations explicitly stated in law are enforceable.

**\*\*Relevant Legal Provisions:\*\***

- **\*\*National Building Code (Presidential Decree No. 1096)\*\***: Sets minimum standards and requirements to regulate buildings and structures.
- **\*\*Article 1158 of the Civil Code\*\***: "Obligations derived from law are not presumed. Only those expressly determined in this Code or in special laws are demandable..."

**\*\*Historical Background:\*\***

The case stems from an effort by the Philippine government, through Senate investigations, to address public concerns over the practice of charging parking fees at shopping malls. The government's intention was to enhance consumer protection and public welfare by ensuring that mall operators provide necessary amenities such as parking spaces without additional charge to consumers. Ultimately, the Supreme Court's decision underscored the importance of explicit legislative stipulations for imposing obligations on property owners and limited the scope of regulatory mandates to those clearly established by law.