

### Title: Mactan-Cebu International Airport Authority v. Benjamin Tuftud, et al.

### **Facts:**

The case involves a parcel of land owned by predecessors-in-interest of the respondents, identified as Lot No. 988 of the Banilad Estate, initially acquired by the National Airports Corporation (NAC) in 1949 for the expansion of Cebu Lahug Airport. The acquisition was solidified by a judgment rendered by the Court of First Instance in Civil Case No. R-1881, transferring ownership to the Republic of the Philippines. Post expansions, operations shifted to the Mactan International Airport, rendering the Cebu Lahug Airport obsolete and subsequently closed.

Lydia Adlawan, attorney-in-fact for the original owners, demanded the repurchase of the lot from the Mactan Cebu International Airport Authority (MCIAA) in 1996, citing no structures had been built on the lot, and the airport's closure denoted the cessation of the expropriation purpose. The MCIAA's failure to respond led to a Complaint before the RTC for reconveyance, anchored on alleged repurchase assurances by the NAC, paralleling a previous Supreme Court ruling in MCIAA v. Court of Appeals involving a similar set of facts.

MCIAA contested, arguing the expropriation's absolute nature and the inapplicability of parole evidence to modify judicial decrees.

### **Procedural History:**

The case, initiated at the Cebu City RTC (Civil Case No. CEB-19464), ruled in favor of the respondents, a decision upheld by the Court of Appeals. Following an unsuccessful Motion for Reconsideration, MCIAA appealed to the Supreme Court, raising issues around the expropriation decree's absolute nature and the alleged verbal assurances' violation of the Statute of Frauds.

### **Issues:**

1. Whether the judgment in Civil Case No. R-1881 was absolute and unconditional.
2. Whether respondents' claim of verbal assurances violates the Statute of Frauds.
3. The evidentiary value of the Certificate of Title in demonstrating the conditional or unconditional nature of the lot's acquisition.

### **Court's Decision:**

The Supreme Court denied the petition, affirming the lower court's decision, modifying it to align with the Civil Code provisions concerning the obligation of parties to return what they have received upon the extinguishment of an obligation. The Court concurred that the MCIAA must reconvey the property, and respondents must repay the just compensation received plus legal interest. The case was remanded to the RTC for determination of amounts payable to MCIAA.

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

The Supreme Court reiterated several doctrines in this case:

- Parole evidence can modify a judicial decree if a contract has been partially or totally performed, preventing fraud or bad faith.
- The mode of acquisition (expropriation or contract) is not material in determining the acquisition's conditional nature.
- Legal principles surrounding conditional obligations govern the rights and obligations between parties once the stipulated conditions are met or cease to exist.

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

- Expropriation: A process where property is taken for public use, with the obligation to provide just compensation.
- Conditional Property Acquisition: The character of title acquired determines the obligations of the expropriator if the specific public use is ceased or abandoned.
- Statute of Frauds: Requires certain contracts, including those for the sale of real property, to be in writing to be enforceable, but this does not apply to contracts already performed partially or fully.
- Parole Evidence Rule: Allows for verbal agreements or assurances to modify or interpret written contracts under specific circumstances, such as partial performance preventing fraud.
- Role of the Courts: Interpretation of decrees and judicial orders must consider the entirety of the document, understanding the dispositive portion in the context of the decision's rationale.

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

This case illustrates the enduring complexities of property expropriation for public use, particularly when the stated public use ceases to exist or evolves. It highlights the judiciary's role in balancing the interests of the state and property owners, enforcing

constitutional guarantees of just compensation, and interpreting assurances or conditions that may not be explicitly documented but understood in the broader context of government commitments to private citizens.