

Title: ****Camarines Sur Teachers and Employees Association, Inc. vs. Province of Camarines Sur****

Facts:

The case originated from a parcel of land in Barangay Peñafrancia, Naga City, owned by the Province of Camarines Sur. On September 28, 1966, then Governor Apolonio G. Maleniza donated approximately 600 square meters of this property to the Camarines Sur Teachers' Association, Inc. (CASTEA). Two conditions were stipulated in the deed: the land was to be used exclusively for CASTEA's office buildings, and its transfer was prohibited through sale, mortgage, or encumbrance.

Decades later, in 2007, Governor Luis Raymund F. Villafuerte, Jr. executed a Deed of Revocation based on CASTEA's leasing a part of the property to Bodega Glassware, alleging it breached the donation's conditions. Despite CASTEA's objection that the lease was beneficial and permitted by the deed, and their challenge to the governor's authority to revoke the donation without Provincial Board approval, the Province pursued an eviction case against CASTEA.

The ensuing legal battles saw the Municipal Trial Court in Cities, Naga City (MTCC Br. 1), rule in favor of the Province, a decision reversed by the Regional Trial Court (RTC) upon appeal by CASTEA. The RTC disputed the automatic revocation of the donation, emphasizing that judicial intervention was necessary to validate such an action.

The dispute eventually reached the Court of Appeals (CA), which reinstated the MTCC's decision, arguing that the lease constituted an encumbrance violating the donation's terms. CASTEA's petition for reconsideration was denied, prompting them to elevate the matter to the Supreme Court.

Issues:

1. Was CASTEA's leasing of the donated property a breach of the donation's conditions warranting its revocation?
2. Did Governor Villafuerte have the legal authority to revoke the donation without Provincial Board approval?
3. Is a judicial action necessary to revoke a donation under Philippine law?

Court's Decision:

The Supreme Court granted CASTEA's petition, reversing the CA's ruling. It held that the lease did not constitute a significant breach to warrant the donation's revocation,

emphasizing the donation's intent to uplift education and arguing that the lease proceeds benefited this cause. Furthermore, it questioned the enforceability of the automatic revocation clause without judicial intervention. It concluded that the revocation lacked legal basis and reinstated the RTC's decision dismissing the Province's complaint for unlawful detainer, albeit with modifications regarding nominal damages to the Province.

Doctrine:

This case reiterates the principles regarding donations, specifically modal and onerous donations, stressing the autonomy of contracts under Article 1306 of the Civil Code. Additionally, it highlights the necessary judicial intervention to declare the revocation of a deed of donation, especially when contested by the donee, as outlined in Article 764 of the Civil Code.

Class Notes:

- The autonomy of contracts (Article 1306, Civil Code) allows parties to establish stipulations, provided they're not contrary to law, morals, good customs, public order, or public policy.
- A deed of donation, especially modal or onerous ones, may include conditions such as the prohibition of transfer or requirement of specific use. Violation of these conditions can lead to revocation, necessitating judicial intervention (Article 764, Civil Code).
- Judicial intervention is crucial in cases of disputed automatic revocation of donations, where the validity of the revocation hinges on whether the donee's actions substantially breach the deed's conditions.

Historical Background:

This case provides a contemporary viewpoint on the legal nuances surrounding donations to entities aimed at public welfare, such as educational organizations, illustrating the balance between donors' intentions and the practical operations of donee organizations. It underscores the evolving interpretation of contract law and property donations in Philippine jurisprudence, especially in contexts where public welfare is intertwined with legal stipulations on property use and transfer.