

Title: Villanueva et al. vs. Hon. Mariano Castaneda, Jr. et al.

Facts: The case centers around a dispute over a “talipapa” (small market) located on a 12 by 77 meters area along Mercado Street near the public market of San Fernando, Pampanga. The petitioners, comprised of vendors, argued that they were authorized to occupy and conduct business in the area due to a previous authorization granted by the municipal government. This claim stemmed from Resolution No. 218, adopted by the municipal council on November 7, 1961. However, Resolution No. 29 was later adopted on January 18, 1964, revoking the prior resolution and declaring the land as a public parking and plaza area. Despite a decision from Civil Case No. 2040 that echoed Resolution No. 29’s stance, the petitioners remained in the area. Years later, on January 12, 1982, the Association of Concerned Citizens and Consumers of San Fernando petitioned for the area’s restoration, and Vicente A. Macalino ordered the demolition of the stalls in June 1982. The petitioners filed a petition for prohibition with the Court of First Instance, which was denied. The petitioners then escalated the matter to the Supreme Court on certiorari.

Issues: The primary legal issue revolved around whether the petitioners had a right to occupy the public plaza by virtue of the alleged leases and whether the respondents acted within their power in ordering the demolition of the stalls.

Court’s Decision: The Supreme Court dismissed the petition, affirming the lower court’s decision and the respondents’ actions. It was ruled that a public plaza is beyond the commerce of man and cannot be subject to lease or any private agreement. The petitioners, therefore, had no legal basis to occupy the area, nor could they claim any legitimate expectation from what was deemed an invalid contract. The decision and actions to clear the area were in proper exercise of the respondent local officials’ duties under the police power vested in the municipality.

Doctrine: The pivotal doctrine reiterated by this case is that properties designated for public use, such as public plazas, are beyond the commerce of man and cannot be leased or subjected to private occupation. This principle highlights the prerogative of local government units to regulate and reclaim public spaces for the intended general use, underlining the supremacy of public welfare over private business interests.

Class Notes:

- Public Plazas and Properties: Classified as properties of public dominion, they are intended for public use and are outside the commerce of man, making them unavailable for

private lease or acquisition.

- Police Power: Local government units exercise this power to promote the general welfare, which includes maintaining public order and safety, health standards, and the general convenience of the public.
- Contracts Affecting Public Interest: All contracts, even those involving public entities, are subject to the inherent power of the state to invoke its police power to regulate or terminate such agreements for the common good, without violating the constitutional prohibition against the impairment of contracts.

Historical Background: The case reflects the ongoing conflict between individual economic interests and the collective right of the community to use public spaces for their intended purposes. It underscores the evolving nature of municipal governance and urban development in the Philippines, particularly in relation to the administration and recovery of public spaces for the benefit of the general population. The decision reaffirms long-standing principles of property law and local governance, emphasizing the priority of public welfare and interests over private business operations within public dominions.