

### Title:

**\*\*Mactan-Cebu International Airport Authority vs. Bernardo L. Lozada, Sr., et al.: A Case of Revoking Expropriation Due to Abandonment of Public Purpose\*\***

### Facts:

The case revolves around Lot No. 88 (1,017 square meters) in Lahug, Cebu City. Originally owned by Anastacio Deiparine, it was expropriated by the Republic of the Philippines, represented by the Civil Aeronautics Administration (CAA), for Lahug Airport's expansion in 1961. Bernardo L. Lozada, Sr., acquired it from Deiparine and was later compensated at P3.00 per square meter by the Republic following court judgment.

During the appeal of the expropriation proceeding's decision, a compromise was reportedly reached, suggesting the lot's resale to the owners if the airport's expansion did not push through. The Lahug Airport's operations were eventually transferred to Mactan International Airport, and the area became a commercial complex. Lozada and heirs filed for recovery of possession and reconveyance of ownership in 1996, leading to RTC ruling in their favor, which was affirmed by the CA.

### Issues:

1. Whether the respondents proved the existence of a repurchase agreement.
2. Whether the judgment in the expropriation case was absolute and unconditional.
3. Applicability of the Statute of Frauds to the verbal promises alleged.
4. Whether the public purpose for the expropriation still exists.

### Court's Decision:

The Supreme Court denied the petition, affirming the lower courts' decisions but modified certain directives. It recognized the existence of an oral compromise based on witness credibility and partially performed conditions. The verdict expressly held that the expropriation's public purpose condition was not met, thus allowing the original owners to reacquire the property. The case established a constructive trust over the property in favor of the original owners and detailed the obligations for the return transaction.

### Doctrine:

This case underscores that expropriation of private property is conditional upon the specific public purpose for which it was taken. If this purpose is abandoned, the property must be offered back to its original owners, subject to the reimbursement of just compensation received, plus interest.

### Class Notes:

- **Expropriated Property's Return**: If the public purpose for which property was expropriated is abandoned, original owners may have the right to reacquire the property, conditional on repaying just compensation plus interest.
- **Constructive Trusts**: Established when property is taken with certain conditions, and these conditions aren't met, creating an obligation for the holder to transfer it back to the beneficiary under terms of equity.
- **Statute of Frauds**: Does not apply to agreements that have been partly performed or when excluding parol evidence would promote fraud.

### Historical Background:

This ruling revisits and clarifies the conditions under which government can retain properties acquired through eminent domain. Reflecting on the nature of public purpose in expropriation and emphasizing fairness and equity, it aligns with constitutional guarantees for property rights and just compensation.