

Title: Province of Camarines Sur vs. Bodega Glassware

Facts:

The Province of Camarines Sur, through its governor, disputed the Court of Appeals' decision affirming the Regional Trial Court (RTC) of Naga City's reversal of the Municipal Trial Court (MTC) of Naga City's ruling. This legal conflict originated from a parcel of land in Peñafrancia, Naga City, donated by the province to the Camarines Sur Teachers' Association, Inc. (CASTEA) with specific conditions for its use, explicitly stating automatic revocation clauses for non-compliance.

CASTEA, however, leased the property to Bodega Glassware in 1995 for 20 years. In 2005, the province, upon discovering Bodega Glassware's construction on the property, sought to verify Bodega's legal basis for its possession, which led to the province's tolerance until 2007. Eventually, the province demanded Bodega vacate the land for developmental projects. Bodega refused, leading the province to revoke the donation and file an action for ejectment.

The MTC Naga City sided with the province, ordering Bodega to vacate and pay compensation. Bodega appealed, resulting in the RTC reversing the MTC's decision. The province's appeal to the CA was denied, with the CA stating that the lease to Bodega was valid since the province didn't file an action for reconveyance against CASTEA and that the ejectment action had prescribed. The province then appealed to the Supreme Court.

Issues:

1. The proper determination of possession based on the automatic revocation clause in the Deed of Donation.
2. Whether judicial intervention is required to rescind a donation with an automatic revocation clause.
3. Prescription of the action for ejectment based on the automatic revocation of the donation.

Court's Decision:

The Supreme Court granted the petition partially, setting aside the CA and RTC's decisions and reinstating the MTC's ruling. The Court established that the automatic revocation clause did indeed result in the immediate reversion of the property to the province without the need for judicial action. This is because the lease agreement between CASTEA and Bodega violated the conditions of the deed. Thus, Bodega's possession was deemed

unlawful, and the province's action for ejectment was within the prescriptive period, overturning the CA's finding of prescription.

Doctrine:

Donations with automatic revocation clauses are immediately effective upon breach of conditions without requiring judicial intervention. Judicial involvement is only necessary to determine the appropriateness of the revocation if challenged. Actions for unlawful detainer must be filed within one year from the last demand for vacating the property.

Class Notes:

1. Automatic Revocation Clause: A condition in a donation that immediately nullifies the donation upon breach by the donee, without need for court action.
2. Unlawful Detainer: Action must be brought within one year from the demand to vacate; demonstrates the importance of understanding procedural timelines in property disputes.
3. Possession vs. Ownership in Ejectment Cases: Courts may decide on ownership temporarily to resolve possession disputes. Ownership disputes require separate proceedings.
4. Legal Prescriptions in Property Disputes: Different actions related to property rights have specific prescriptive periods that must be observed to avoid forfeiture of the right.
5. Tolerance of Possession: The initial permission granted by the property owner can become unlawful possession upon proper demand and refusal to vacate.

Historical Background:

This case underscores the nuanced relationship between donor and donee in Philippine property law, especially concerning conditional donations and the obligations these conditions impose. It highlights how property rights can be contested and the mechanisms designed for their protection and recovery, reflecting the inherent balance between contractual freedom and equitable use of property within the legal system of the Philippines.