

Republic of the Philippines, Represented by the Manila International Airport Authority (MIAA) v. Spouses Mariano Nocom and Anacoreta O. Nocom, et al.

Facts

1. **Expropriation Proceedings Initiated (1982)**: The Manila International Airport Authority (MIAA) initiated expropriation proceedings for lands needed for the Ninoy Aquino International Airport (NAIA) expansion, including Lots 2817, 2818, and 2819, initially owned by Emiliano Cruz.
2. **Writ of Possession Issued (1983)**: The Regional Trial Court (RTC) of Pasay issued a Writ of Possession granting the expropriation of the lots.
3. **Judicial Reorganization & Valuation**: By 1991, the RTC of Makati, receiving the transferred case, confirmed the expropriation and ordered MIAA to pay just compensation of P552.00 per square meter plus 6% interest from 1983 until full payment.
4. **Appeal and Exclusion of Lots (1992)**: MIAA appealed the compensation amount and requested the exclusion of certain subdivided lots (2817-A, 2818-A, 2818-B, 2819-A, 2819-B) from the expropriation proceedings, granted by the Court of Appeals (CA).
5. **Transfer of Title and Sale (1993)**: Original lots were registered under the heirs of Emiliano Cruz and then sold to Spouses Nocom and Spouses Sy Ka Kieng and Rosa Chan.
6. **Confirmation of Just Compensation (1994)**: CA affirmed the RTC's findings regarding just compensation, making the decision final.
7. **Spouses Nocom's Claim (2009)**: Spouses Nocom filed a Petition for Recovery of Possession and Accounting, claiming unpaid compensation and continued MIAA possession over excluded lots.
8. **Consolidation and RTC Ruling (2015)**: Trials for the Recovery of Possession and MIAA's Annulment of Titles resulted in an RTC decision ordering MIAA to pay substantial rentals and partially granting reconsideration to exclude Lot 2817-B from payments.
9. **CA Decision (2017)**: The CA upheld the RTC's findings, affirming spousal rights to rentals but modifying computations concerning interests.
10. **Supreme Court Petition (2018)**: MIAA asserted errors by the RTC and CA including sovereign immunity and questionable title validity.

Issues

1. **Sovereign Immunity**: Whether MIAA, as a state instrumentality, was immune from suit.
2. **Proprietary vs. Governmental Functions**: Whether MIAA's use of the lots was an exercise of proprietary or governmental function.
3. **Entitlement to Rent and Interest**: Determining whether respondents were entitled to

rental payments and interests due to the delayed payment and continued occupation by MIAA.

Court's Decision

1. **Sovereign Immunity**: The Court held that MIAA could not invoke sovereign immunity to avoid paying compensation for taking private property. The doctrine does not protect the government in such cases to prevent injustice.
2. **Proprietary Function**: The Court found that MIAA's use of the areas was part of eminent domain, intended for public use in enhancing airport facilities, refuting the proprietary function argument.
3. **Just Compensation Instead of Rent**: Affirming the right to compensation for unexpropriated lots, the Court ruled that just compensation, not mere rent, was due for the government's occupation, mandating re-evaluation of compensation at the zone value prevalent at the time of actual taking.

Doctrine

1. **Sovereign Immunity Exception**: The state cannot use sovereign immunity as protection against claims for just compensation due to its expropriation activities without due process.
2. **Determination of Just Compensation**: Just compensation is pegged as of the time of taking, adjusted to consider the financial benefits lost by owners due to delayed payments.

Class Notes

- **Sovereign Immunity**: Article XVI, Section 3, of the Philippine Constitution states that the State may not be sued without its consent.
- **Eminent Domain**: The requirement for public purpose and provision of just compensation at fair market value at the time of taking.
- **P552.00/sq.m. Compensation**: Fixing compensation based on fair market valuation.
- **Exclusion from Expropriation**: Legal implications of excluding lots from an expropriation judgment.
- **Just Compensation Calculation**: Emphasis on adjustments for inflation, interest, and opportunity costs to ensure that compensation remains fair over time.

Historical Background

- **NAIA Expansion (1982)**: In the early '80s, the Philippine government embarked on significantly expanding and modernizing the NAIA, necessitating extensive land acquisition.
- **Judicial Shifts (1991)**: This period saw significant judicial reorganization affecting

many cases, including land expropriation for public utilities.

- **Economic Factors and Land Valuation (1990s onward)**: The decisions consider economic changes and principles of fair market value, emphasizing delayed compensation fairness.

The case underscores significant jurisprudence in balancing state authority in expropriation with fair compensation rights of private property owners, reflecting broader concerns on due process, state responsibilities, and property rights.