

****Title:****

Bank of the Philippine Islands v. Court of Appeals and National Power Corporation, G.R. No. 152806, 484 Phil. 601 (2004)

****Facts:****

- ****April 15, 1996:**** National Power Corporation (NAPOCOR) files a Complaint for Eminent Domain to expropriate a portion of Bank of the Philippine Islands' (BPI) property in Barrio Bucal, Dasmariñas, Cavite, for a 230 KV Transmission Line Project.
- ****August 1, 1996:**** NAPOCOR deposits PHP 3,013.60 with Philippine National Bank, representing the assessed value of the property.
- ****August 15, 1996:**** NAPOCOR notifies BPI through registered mail of its intention to take possession.
- ****Subsequently:**** Trial court grants NAPOCOR's ex-parte motion for a writ of possession.
- ****BPI's Motion for Bill of Particulars:**** Denied by the trial court.
- ****BPI Moves for Dismissal:**** Case is dismissed without prejudice; NAPOCOR's motion for reconsideration is granted, and the case is reinstated.
- ****November 28, 1997:**** Trial court appoints three commissioners: Mr. Lamberto C. Parra, Mr. Regalado Andaya, and Mr. Rodolfo D. Leonen.
- ****February 26, 1999:**** Commissioners' report values the property at PHP 753,400 (75.34 sqm x PHP 10,000/sqm) and recommends PHP 524,660 as severance damage, totaling PHP 1,278,060.
- ****August 5, 1999:**** RTC renders judgment, recognizing lawful expropriation and ordering NAPOCOR to pay BPI the amount determined by the commissioners.
- ****NAPOCOR Appeals:**** Court of Appeals reverses RTC's decision, setting compensation at PHP 3,000/sqm and reducing commissioners' fees.
- ****BPI's Motion for Reconsideration:**** Denied by Court of Appeals.
- ****Petition for Review:**** Filed by BPI with the Supreme Court, claiming grave abuse of discretion by the Court of Appeals.

****Issues:****

1. Did the Court of Appeals err in fixing the just compensation at PHP 3,000/sqm?
2. Was the Court of Appeals correct in reducing the commissioners' fees to PHP 3,000 each?

****Court's Decision:****

- ****Just Compensation:**** The Supreme Court upheld the Court of Appeals' determination of PHP 3,000/sqm, finding substantial support in official documents such as Resolution No. 08-95 of the Provincial Appraisal Committee of Cavite. The commissioners' valuation at PHP

10,000/sqm was found to be unsubstantiated due to lack of supporting evidence.

- **Commissioners' Fees:** Affirmed the reduction to PHP 3,000 each, aligning with the principles of reasonable compensation for services rendered.

Doctrine:

- **Just Compensation:** Defined as the full and fair equivalent of the property taken from the owner by the expropriator, equating to the owner's loss rather than the taker's gain. Market value is best determined by what willing buyers and sellers agree upon.

- **Judicial Discretion:** Appellate review may alter lower court findings when substantial evidence necessitates a different conclusion.

Class Notes:

- **Key Elements of Eminent Domain:**

1. **Public Use:** The property must be taken for a public purpose (e.g., infrastructure projects).

2. **Just Compensation:** Must reflect the property's fair market value at the time of taking.

3. **Due Process:** Proper notification and opportunity to contest must be given to the property owner.

- **Relevant Provisions:**

- **Rule 67, Rules of Court:** Governs expropriation proceedings.

- **Presidential Decree No. 42:** Authorizes immediate possession upon deposit of compensation equivalent to assessed tax value.

Historical Background:

- **Post-Marcos Regulatory Context:** The case arises in a period of increased infrastructure development following the lifting of Martial Law and the restoration of democratic institutions, highlighting the balancing act between state development projects and protecting private property rights.

These elements are presented to facilitate a clear understanding of judicial principles and procedural rules in eminent domain, aiming to help students quickly recall and apply these concepts during exams and class discussions.