

Title: Republic of the Philippines represented by DPWH vs. Jose Gamir-Consuelo Diaz Heirs Association, Inc.

Facts:

1. **Property Ownership and Initial Negotiations (2005):**

Jose Gamir-Consuelo Diaz Heirs Association, Inc. (respondent) owned a parcel of land (1,836 sq. meters) under TCT No. T-7550. Negotiations led to the Department of Public Works and Highways (DPWH) agreeing to purchase the property for P275,099.24 through a Deed of Absolute Sale dated August 9, 2005. The land, part of Sta. Ana Avenue, was transferred to the Republic of the Philippines (petitioner), and the title was registered as TCT No. T-390639.

2. **Complaint Filed (2006):**

On November 15, 2006, respondent filed a complaint in the RTC of Davao City, claiming the land was taken by DPWH in 1957 without just compensation. They argued that the price agreed upon in 2005's deed reflected the property's 1957 value, and demanded interest from 1957 onwards.

3. **RTC Decision and Appeal (2010):**

The RTC dismissed the complaint on March 4, 2010. Respondent appealed to the Court of Appeals.

4. **Court of Appeals Decision (2013):**

The CA reversed the RTC's decision on December 12, 2013. They ruled that just compensation includes timely payment, and awarded 12% annual interest from 1957 to the date of full payment.

5. **Petition to the Supreme Court (2015):**

The petitioner contested the CA's decision, arguing that the deed's lack of stipulation on interest meant it was not payable. They emphasized that the Deed of Absolute Sale was voluntarily executed.

Issues:

1. **Is respondent entitled to interest despite the absence of a stipulation in the Deed of Absolute Sale?**

Court's Decision:

****Resolution of Issues:****

1. ***Interest Payment without Stipulation:***

The Supreme Court held that respondent was not entitled to interest. They emphasized that voluntary sale contracts are governed by their written terms, barring additional claims unless explicitly reserved. Since the deed did not stipulate interest or reserve any claim for it, respondent's demand was invalid.

****Conclusion and Directive:****

The Court reversed the CA's decision and reinstated the RTC's dismissal, emphasizing that negotiated sale terms must be honored as written unless exceptional circumstances warrant deviation.

Doctrine:

- ****Voluntary Sale vs. Expropriation:**** In negotiated sales, parties freely determine contract terms, including compensation. Courts typically enforce these terms strictly without inferring additional obligations unless clearly preserved or mentioned.
- ****Parol Evidence Rule:**** Prevents admission of extrinsic evidence to contradict written agreements unless specific exceptions (intrinsic ambiguity, failure to express true intent, validity issues, or existence of other terms) are established and pleaded.

Class Notes:

- ****Key Elements/Concepts:****

1. ****Eminent Domain:**** State power to expropriate private property for public use, requiring just compensation.
 2. ****Just Compensation:**** Full and fair value of property, considering timely payment, measured by owner's loss, not taker's gain (1987 Constitution, Article III, Sections 1 & 9).
 3. ****Parol Evidence Rule (Section 9, Rule 130, Revised Rules of Court):**** Written agreements hold unless intrinsic ambiguity or other specific exceptions apply.
- ****Application in Case:**** Despite historical occupation (1957), sale terms (2005) finalized compensation without interest claims. No contractual ambiguity or stipulation justified extrinsic claims, cementing the deed terms as final.

Historical Background:

The case reflects tensions in eminent domain applications, highlighting the balance between state needs and private owner rights. The 1957 occupation without immediate compensation underscores shifts in legal frameworks emphasizing timely and adequate payment. The 1987

Constitution mandates fair dealings and just compensation, reflecting evolved jurisprudence protecting private property from prolonged uncompensated state use.