

Title: Heirs of Mariano v. City of Naga

Facts:

The case revolves around a five-hectare parcel of land in Naga City, purportedly donated by the registered owners, Macario Mariano and Jose A. Gimenez, to the City of Naga in 1954. The City used the land as a government center, housing the City Hall and other government agencies. The Deed of Donation was defective due to improper acknowledgment and lack of signatures from the donor and donee. Despite this, the City took possession of the land but did not secure a title, nor did it engage in expropriation or compensation proceedings.

In 2004, the heirs of the original owners filed an unlawful detainer suit against the City, demanding possession and payment for the use of the land. The Municipal Trial Court dismissed the case for lack of jurisdiction. On appeal, the Regional Trial Court reversed this decision, ordering the City to vacate and pay rent from 2003 onwards. The Court of Appeals overturned the RTC decision, but the Supreme Court's First Division reinstated the RTC's ruling in 2018.

The City filed a motion for reconsideration, arguing the improper application of expropriation principles and introducing newly found evidence - a certified true copy of the Deed of Donation. The motion was denied, prompting the City to file a second motion for reconsideration.

Issues:

1. Whether the principle of laches bars the heirs' claim to the property.
2. Whether the City of Naga, having used the land for public purposes without formal expropriation, should vacate the land or pay just compensation.
3. The applicability of the doctrines of eminent domain when government takes private property without formal acquisition or compensation.
4. The feasibility and equity of the physical return of the property versus payment of just compensation.

Court's Decision:

1. ****Laches****: The Supreme Court ruled that laches does not apply, as mere delay without evidence of abandonment or unreasonable neglect does not bar the claim of registered landowners. The heirs did not persistently pursue possession due to the initial invalidity of the donation and personal legal disputes regarding inheritance.
2. ****Exercise of Eminent Domain****: The Court recognized that the City's occupation

constituted a “taking” under eminent domain. Without rightful ownership through expropriation or donation, the City must compensate the owners; physical recovery of the land was deemed infeasible due to the established improvements for public use.

3. **Just Compensation**: The Court vacated the First Division’s mandate to return possession and ordered determining just compensation, reflecting the property’s value at the 1954 taking, and adding interest for delayed payment until full settlement.

4. **Equity Consideration**: The resolution acknowledged the impracticality of demolishing governmental buildings to return land and prioritized equitable compensation, ensuring the owners are properly reimbursed for governmental usage.

Doctrine:

1. **Eminent Domain**: Unauthorized occupation by a government entity, even under a void transaction like an imperfect donation, constitutes a taking requiring compensation.
2. **Estoppel in Property Claims Against Government**: The doctrine that prevents property owners from recovering land used for public services over a significant period without timely objection.
3. **Just Compensation Calculation**: Compensation is calculated at the time of taking, with interests compounded to adjust for payment delays, emphasizing fair value over time.

Class Notes:

- **Eminent Domain**: Authority allows government to take private property for public use with compensation.
- **Laches**: Significant delay or neglect in claiming a right can preclude enforcement, absent continuous intent to claim.
- **Equity in Remediation**: When return of property is impractical, monetary compensation must reflect initial value plus interest.

Statutes: Relevant statutes include the Philippine Civil Code on obligations and contracts, and constitutional provisions on eminent domain and just compensation.

Historical Background:

The case is reflective of common post-WWII statutory and procedural challenges in Philippine land law, where rapid urbanization and bureaucratic oversight often led to contested public-private land use, significantly affecting urban planning and property rights enforcement.