NATIONAL TRANSMISSION CORPORATION, PETITIONER, VS. BERMUDA DEVELOPMENT CORPORATION, RESPONDENT.

Ponente: LANTION, J.A.C., J.

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LANTION, J.A.C., J.:

THE CASE

This is a Petition for Review[1] under Rule 42 of the Revised Rules of Court, assailing the Orders dated 29 July 2010[2] and 30 May 2011[3] both issued by the Regional Trial Court (RTC), Branch 24, of Biñan, Laguna, in Civil Case No. B-2498, the respective decretal portions of which read:

> 29 July 2010 Order
>
> "WHEREFORE, premises considered, this instant appeal is hereby ordered Dismissed. Consequently, all pending incidents in this appealed case had been rendered mooted by the dismissal of this case.
>
> Let the entire records of this case be remanded to the court of origin for proper disposition.
>
> SO ORDERED"
>
> 30 May 2011 Order:
>
> "The appeal therefore of National Transmission Corporation has become moot and academic as it already owned the property and there is no more doubt as to their legitimate possession of the same. Being now in legitimate possession of the same property, the Motion for Reconsideration dismissing their appeal could no longer be reconsidered as the appeal is already a superfluous move being now the legitimate possessor and owner of the property in question.
>
> With respect to the rental in arrears that was ordered to be paid by MTC Cabuyao, that should have been dealt with in that expropriation proceedings as part of payment of just compensation. As it appears that the parties did not include the same. (sic) This Court having already dismissed the appeal of defendant, the record of this case was ordered remanded to the lower court for enforcement of the judgment which was not included in the computation of just compensation.
>
> The Motion of the plaintiffs to cite Defendant and its Officers in contempt of court is likewise DENIED, having no factual and legal basis.
>
> SO ORDERED."

THE FACTS

On 22 December 2009, Respondent Bermuda Development Corporation (BDC) filed a case for Unlawful Detainer against Petitioner National Transmission Corporation (NTC) with the Municipal Trial Court (MTC) of Cabuyao. The case was docketed as Civil Case No. 2498.

On 23 January 2009, NTC filed its Answer with Affirmative and Compulsory Counterclaim.[4]

After due proceedings, on 24 August 2009, the MTC rendered a Decision,[5] the fallo of which reads:

> "WHEREFORE, judgment is rendered in favor of plaintiff and against defendant. Accordingly, defendant and all persons claiming rights under it are ordered:
>
> 1. to vacate the subject lot and remove all structures thereon, known as Lot 10-B, Psd. 043404-058243 consisting of 8,920 square meters located at Barangay Banlic, Cabuyao, Laguna and covered by TCT No. T-258244 of the Registry of Deeds of the Province of Laguna and peacefully surrender possession thereof to plaintiff;
>
> 2. to pay plaintiff the amount of P10,350,000.00 as reasonable monthly rental computed from December 13, 2008 until it and all persons claiming rights under it completely vacate the subject premises;
>
> 3. to pay plaintiff the amounts of P50,000.00 as attorney's fee and P5,000.00 per Court appearance and the cost of suit.
>
> SO ORDERED."

On 17 September 2009, Petitioner NTC interposed an appeal before the RTC, Branch 24 of Biñan, Laguna. Respondent BDC, on the other hand, filed an Urgent Motion for Execution[6] of the aforesaid 24 August 2009 Decision of the MTC of Cabuyao.

On 28 October 2009, RTC, Branch 24 granted Respondent BDC's Urgent Motion for Execution.[7] A Writ of Execution Pending Appeal[8] was then issued by the said court.

Proceeding from the immediately cited Writ of Execution, the trial court a quo issued a Notice of Garnishment[9] on 06 November 2009, against Petitioner NTC's account with the Land Bank of the Philippines.

On 10 November 2009, Petitioner NTC filed an Omnibus Motion[10] asking for the reconsideration of the trial court a quo's 28 October 2009 Order granting Respondent BDC's Urgent Motion for Execution. Petitioner likewise prayed for the quashal of the 30 October 2009 Writ of Execution and 06 November 2009 Notice of Garnishment.

In the meantime, on 21 January 2010, Petitioner NTC filed a Complaint for Expropriation of the parcel of land covered by Transfer Certificate of Title No. 258244,[11] (the same property subject of the Unlawful Detainer Case) before the RTC of Biñan, Laguna. The case was raffled to and eventualy heard by Branch 25 thereof, and docketed as Civil Case B-7972.

Subsequently, on 25 February 2010, Petitioner NTC filed with RTC Branch 25 an Urgent Ex-Parte Motion for the Issuance of a Writ of Possession.

Petitioner NTC then deposited the amount of P10,704,000.00 with the Landbank of the Philippines, purportedly representing the provisional value of the property sought to be expropriated. Consequently, on 29 March 2010, RTC Branch 25 issued an Order granting Petitioner's Urgent Ex-Parte Motion for the Issuance of a Writ of Possession.

Meanwhile, on 29 July 2010, RTC, Branch 24 dismissed Petitioner NTC's appeal in the unlawful detainer case for being "moot and academic", viz:

> "With the filing of an expropriation proceeding covering subject property by defendant-appellant TRANSCO (NTC) and possession thereof having been formally delivered to it already per Sheriff's Report dated July 7, 2010 of Sheriff IV Andrew A. Santos, this Court is of the considered opinion that the issue in this appealed case which is also possession has become moot and academic. In filing said expropriation proceeding, defendant-appellant TRANSCO may also be considered to have abandoned its appeal.

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> WHEREFORE, premises considered, the instant appeal is hereby ordered Dismissed. Consequently, all pending incidents in this appealed case had been rendered mooted by the dismissal of the case.

xxx xxx xxxx"

Petitioner NTC seasonably sought for a reconsideration of the adverse ruling but the same was denied by RTC Branch 24 in its Order dated 30 May 2011.

Hence, this Petition.

ASSIGNMENT OF ERROR

Petitioner cites this lone error for allowance of the instant Petition:

> "THE BIÑAN RTC, BRANCH 24 ERRED IN DISMISSING TRANSCO'S APPEAL FOR HAVING BECOME MOOT AND ACADEMIC."

THIS COURT'S RULING

We resolve.

Eminent domain is an inherent power of the State that need not be granted even by the fundamental law. Section 9, Article III of the Constitution, in mandating that "[p]rivate property shall not be taken for public use without just compensation," merely imposes a limit on the government's exercise of this power and provides a measure of protection to the individual's right to property.[12]

On the other hand, an action for unlawful detainer exists when a person unlawfully withholds possession of any land or building against or from a lessor, vendor, vendee or other persons, after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied.[13] The only issue to be resolved in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties involved.[14]

Withal, this Court is faced with the question of whether a writ of possession issued in an eminent domain case placing the expropriating party in possession of a parcel of land renders moot and academic an earlier order from another court (issued in an ejectment case) directing the same person (the expropriator in the eminent domain case) to vacate the same aforesaid land.

It may be recalled that Respondent BDC filed a case for unlawful detainer against Petitioner NTC with the Municipal Trial Court (MTC) of Cabuyao, Laguna. On 24 August 2009, the MTC rendered a Decision directing Petitioner NTC (1) to vacate the subject property covered by TCT No. T-258244, and to peacefully surrender possession of the same to Respondent BDC; (2) to pay BDC the amount of P10,350,000.00 as reasonable monthly rental computed from December 13, 2008 the subject premises has been vacated; and (3) to pay P50,000.00 as attorney's fee and P5,000.00 per court appearance plus cost of suit. NTC interposed an appeal to the RTC, Branch 24 of Biñan, Laguna.

As an offshoot of aforesaid Decision, RTC, Branch 24 of Biñan, Laguna, upon motion of Respondent BDC, issued a Writ of Execution Pending Appeal.

In the interim, Petitioner NTC filed a Complaint for Expropriation of the parcel of land covered by TCT No. 258244, (the same property subject of the Unlawful Detainer Case). The case was eventually raffled to and heard by RTC, Branch 25 of Biñan, Laguna.

Petitioner NTC then deposited the provisional value of the subject property in the amount of P10,704,000.00 with

the Landbank of the Philippines. Consequently, On 29 March 2010, upon motion of NTC and after depositing the amount of P10,704,000.00 with the Landbank of the Philippines, RTC Branch 35 issued an Order granting the Motion for the Issuance of a Writ of Possession.

As it turned out, on 29 July 2010, RTC, Branch 24 dismissed the appeal of Petitioner NTC for being "moot and academic."

We find no cogent reason to overturn the findings of RTC Branch 24. Clearly, an ejectment suit ordinarily should not prevail over the State's power of eminent domain.[15]

Ineludibly, it would be circuitous for this Court to require Petitioner NTC to first vacate the subject property covered by TCT No. T-258244 in view of the adverse judgment in the unlawful detainer case of the MTC of Cabuyao, Laguna, and then soon thereafter, restore possession of the property to Petitioner on account of the writ of possession issued by RTC Branch 25 of Biñan, Laguna – the court where the expropriation case is pending. Such a scenario is a bureaucratic waste of precious time and resources. This sort of pernicious and unreasonable delay of government infrastructure/development projects will not be countenanced by this Court.[16]

As aptly noted by the RTC, Branch 24 of Biñan:

> "With the filing of the expropriation proceedings and agreeing to pay a just compensation xxx, there is no more basis for Bermuda Development Corporation to eject National Transmission Corporation from the property in question claimed to be occupied unlawfully by herein movant-defendant when payment was accepted by Bermuda Development Coropration in the amount of Ten Million Seven Hundred Four Pesos (Php10,704,000.00).
>
> The appeal therefore of National Transmission Corporation has become moot and academic as it already owned the property and there is no more doubt as to their legitimate possession of the same."

Anent the rental in arrears in the amount of P10,350,000.00 computed from December 13, 2008, which the MTC of Cabuyao, Laguna ordered Petitioner NTC to pay Respondent BDC in the unlawful detainer case, the said amount should be collected in the enforcement of judgment by the MTC once the Decision in the subject ejectment case has become final and executory considering that the said amount was not included in the computation of just compensation in the eminent domain case filed before RTC Branch 25 of Biñan, Laguna, .

All told, the Petition fails.

WHEREFORE, premises considered, the Petition is DISMISSED. Orders dated 29 July 2010 and 30 May 2011 both issued by the Regional Trial Court, Branch 24, of Biñan, Laguna are hereby AFFIRMED.

SO ORDERED.

Veloso (Chairperson) and Antonio-Valenzuela, JJ., concur.

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[1] Rollo, pp. 17-35

[2] Id., pp. 39-40

[3] Id., pp. 42-43

[4] Id., pp. 64-74

[5] Id., pp. 75-81

[6] Id., pp. 85-91

[7] Id., pp. 95-97

[8] Id., pp. 98-99

[9] Id., p. 100

[10] Id., pp. 101-114

[11] Id., p. 52

[12] See Republic v. Spouses Tan (G.R. No. 191448, 16 November 2011)

[13] Racaza v. Gozum, 523 Phil. 694, 707 (2006)

[14] Mendoza v. Court of Appeals, 492 Phil. 261, 265 (2005)

[15] Republic v. Tagle (G.R. No. 129079, 02 December 1998)

[16] See Republic v. Tagle, supra.

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