

NATIONAL POWER CORPORATION, PETITIONER, VS. SPS. JOSE C. CAMPOS, JR. AND MA. CLARA LOPEZ-CAMPOS, RESPONDENTS.*G.R. No. 143643. June 27, 2003*

Ponente: CALLEJO, SR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-143643/>**CALLEJO, SR., J.:**

This is a petition for review of the Decision[1] dated June 16, 2000 of the Court of Appeals in CA-G.R. CV No. 54265. The assailed decision affirmed in toto the Decision[2] of the Regional Trial Court (RTC) of Quezon City, Branch 98, which ordered petitioner National Power Corporation to pay, among others, actual, moral and nominal damages in the total amount of P1,980,000 to respondents Spouses Jose C. Campos, Jr. and Ma. Clara A. Lopez-Campos.

The petition at bar stemmed from the following antecedents:

On February 2, 1996, the respondents filed with the court a quo an action for sum of money and damages against the petitioner. In their complaint, the respondents alleged that they are the owners of a parcel of land situated in Bo. San Agustin, Dasmariñas, Cavite, consisting of 66,819 square meters ("subject property") covered by Transfer Certificate of Title (TCT) No. T-957323. Sometime in the middle of 1970, Dr. Paulo C. Campos, who was then the President of the Cavite Electric Cooperative and brother of respondent Jose C. Campos, Jr., verbally requested the respondents to grant the petitioner a right-of-way over a portion of the subject property. Wooden electrical posts and transmission lines were to be installed for the electrification of Puerto Azul. The respondents acceded to this request upon the condition that the said installation would only be temporary in nature. The petitioner assured the respondents that the arrangement would be temporary and that the wooden electric posts would be relocated as soon as permanent posts and transmission lines shall have been installed. Contrary to the verbal agreement of the parties, however, the petitioner continued to use the subject property for its wooden electrical posts and transmission lines without compensating the respondents therefor.[3]

The complaint likewise alleged that some time in 1994, the petitioner's agents trespassed on the subject property and conducted engineering surveys thereon. The respondents' caretaker asked these agents to leave the property. Thereafter, in 1995, a certain "Mr. Raz," who claimed to be the petitioner's agent, went to the office of respondent Jose C. Campos, Jr., then Associate Justice of the Supreme Court, and requested permission from the latter to enter the subject property and conduct a survey in connection with the petitioner's plan to erect an all-steel transmission line tower on a 24-square meter area inside the subject property. Respondent Jose Campos, Jr., refused to grant the permission and expressed his preference to talk to the Chief of the Calaca Sub-station or the head of the petitioner's Quezon City office. The respondents did not hear from "Mr. Raz" or any one from the petitioner's office since then. Sometime in July or August of 1995, the petitioner's agents again trespassed on the subject property, presenting to the respondents' caretaker a letter of authority purportedly written by respondent Jose C. Campos, Jr. When the caretaker demanded that the letter be given to him for verification with respondent Jose C. Campos, Jr. himself, the petitioner's agents refused to do so. Consequently, the caretaker ordered the agents to leave the subject property.[4]

The complaint further alleged that on December 12, 1995, the petitioner instituted an expropriation case involving the subject property before the RTC of Imus, Cavite, Branch 22. The case was docketed as Civil Case No. 1174-95. The petitioner alleged in its complaint therein that the subject property was selected "in a manner compatible with the greatest public good and the least private injury" and that it (petitioner) had tried to negotiate with the respondents for the acquisition of the right-of-way easement on the subject property but that the parties failed to reach an amicable settlement.[5]

The respondents maintained that, contrary to the petitioner's allegations, there were other more suitable or appropriate sites for the petitioner's all-steel transmission lines and that the petitioner chose the subject property in a whimsical and capricious manner. The respondents averred that the proposed right-of-way was not the least injurious to them as the system design prepared by the petitioner could be further revised to avoid having to traverse the subject property. The respondents vigorously denied negotiating with the petitioner in connection with the latter's acquisition of a right-of-way on the subject property.[6]

Finally, the complaint alleged that unaware of the petitioner's intention to expropriate a portion of the subject property, the respondents sold the same to Solar Resources, Inc. As a consequence, the respondents stand to lose a substantial amount of money derived from the proceeds of the sale of the subject property should the buyer (Solar Resources, Inc.) decide to annul the sale because of the contemplated expropriation of the subject property.[7]

The complaint a quo thus prayed that the petitioner be adjudged liable to pay the respondents, among others, actual, nominal and moral damages:

WHEREFORE, premises considered, it is respectfully prayed that the Honorable Court award the plaintiffs:

- a. Actual damages for the use of defendants' property since middle 1970's, including legal interest thereon, as may be established during the trial;
- b. P1,000,000.00 as nominal damages;
- c. P1,000,000.00 as moral damages;
- d. Lost business opportunity as may be established during the trial;
- e. P250,000.00 as attorney's fees;
- f. Costs of suit.

Plaintiffs pray for other, further and different reliefs as may be just and equitable under the premises.[8]

Upon receipt of the summons and complaint, the petitioner moved for additional time to file its responsive pleading. However, instead of filing an answer to the complaint, the petitioner filed a motion to dismiss on the ground that the action had prescribed and that there was another action pending between the same parties for the same cause (*litis pendencia*). The respondents opposed said motion. On May 2, 1996, the RTC issued an order denying the petitioner's motion to dismiss.

The petitioner then moved for reconsideration of the aforesaid order. The respondents opposed the same and moved to declare the petitioner in default on the ground that its motion for reconsideration did not have the required notice of hearing; hence, it did not toll the running of the reglementary period to file an answer.

On July 15, 1996, the RTC issued an order denying the petitioner's motion for reconsideration. Subsequently, on July 24, 1996, it issued another order granting the respondents' motion and declared the petitioner in default for its failure to file an answer. The petitioner filed a motion to set aside the order of default but the same was denied by the RTC.

The petitioner filed a petition for certiorari, prohibition and preliminary injunction with the Court of Appeals, docketed as CA-G.R. SP No. 41782, assailing the May 2, 1996, July 15, 1996 and July 24, 1996 Orders issued by the RTC as having been issued with grave abuse of discretion and to enjoin it from proceeding with the case. On February 13, 1996, the CA dismissed the petition for certiorari, prohibition and preliminary injunction filed by the petitioner in CA-G.R. SP No. 41782.

In the meantime, the respondents adduced their evidence ex parte in the RTC. As synthesized by the trial court, the respondents adduced evidence, thus:

From the evidence thus far submitted, it appears that the plaintiffs spouses, both of whom professional of high standing in society, are the absolute owners of a certain parcel of land situated in Bo. San Agustin, Dasmariñas, Cavite, consisting of 66,819 square meters, more or less, covered and embraced in TCT No. T-95732. Sometime in the mid-1970, Dr. Paulo C. Campos, brother of Justice Jose Campos, Jr., then President of the Cavite Electric Cooperative, approached the latter and confided to him the desire of the National Power Corporation to be allowed to install temporary wooden electric posts on the portion of his wife's property in order that the high-tension transmission line coming from Kaliraya passing thru that part of Cavite can be continued to the direction of Puerto Azul.

Having heard the plea of his brother and the fact that National Power Corporation was under pressure because at the time that Puerto Azul was being developed there was no electricity nor was there electrical lines towards that place and acting on the belief that the installation of wooden electric posts would be temporary in nature, plaintiffs gave oral permission for the NPC personnel to enter the said parcel of land. Dr. Paulo C. Campos, assured him that it was just a temporary measure to meet the emergency need of the Puerto Azul and that the wooden electric posts will be relocated when a permanent posts and transmission lines shall have been installed. Pursuant to their understanding, the National Power Corporation installed wooden posts across a portion of plaintiffs' property occupying a total area of about 2,000 square meters more or less. To date, defendant NPC has been using the plaintiffs' property for its wooden electrical posts and transmission lines; that the latter has estimated that the aggregate rental (which they peg at the conservative rate of P1.00 per square meter) of the 2,000 square meters for twenty-four (24) years period, would amount to the aggregate sum of P480,000.00.

From the time National Power Corporation installed those temporary wooden posts, no notice was ever served upon the plaintiffs of their intention to relocate the same or to install permanent transmission line on the property. Also, there was no personal contact between them. However, in late 1994, plaintiffs' overseer found a group of persons of the defendant NPC conducting survey inside the said property, and were asked to leave the premises upon being discovered that they have no authority to do so from the owners thereof. Subsequently thereafter, or sometime in 1995, a person by the name of Mr. Paz, bearing a letter from Calaca Regional Office, went to see Justice Jose C. Campos, Jr. in his office, informing the latter that he was authorized by the National Power Corporation to acquire private lands. In the same breath, Mr. Paz requested his permission to let NPC men enter the subject property and to conduct a survey in connection with its plan to erect an all steel transmission line tower on a 24 square meter area inside plaintiffs' property, but same was denied. Justice Campos, however, expressed his preference to talk instead to the Chief of the Calaca Sub-station or the Head of the NPC, Quezon City office. Since then, nothing however transpired.

Sometime in July or August 1995, plaintiffs learned that defendant's agents again entered the subject property. This time, they have presented to the caretaker a letter of authority supposedly from Justice Jose C. Campos, Jr. And, when prodded to see the letter for verification, defendant's agents refused to do so. So, they were ordered out of the vicinity. Plaintiffs stressed that defendant's repeated intrusions into their property without their expressed knowledge and consent had impugned on their constitutional right to protection over their property.

Later, on December 12, 1995, plaintiffs received copy of summons and complaint in Civil Case No. 1174-95

filed by the defendant before the Regional Trial Court, Fourth Judicial Region, Branch 22, Imus, Cavite for the expropriation of 5,320 square meters of plaintiffs' above-described property to be used as right-of-way for the all-steel transmission line tower of the Calaca-Dasmariñas 230 KV T/L Project. But what had caused plaintiffs' discomfiture is the allegation in said complaint stating that the "parcel of land sought to be expropriated has not been applied to nor expropriated for any public use and is selected by plaintiff in a manner compatible with the greatest good and the least private injury" and that defendant "had negotiated with (plaintiffs) for the acquisition of the right-of-way easement over the portion of the same for the public purpose as above-stated at a price prescribed by law, but failed to reach an agreement with them notwithstanding the repeated negotiations between the parties".

Plaintiffs' assert that at no instance was there a negotiation between them and the NPC or its representative. The alleged "talk" initiated by Mr. Paz with Justice Campos, Jr. just ended in the latter's remonstrance and in prevailing upon the former of his preference to discuss the matter with a more responsible officer of the National Power Corporation, such as the Chief of the Calaca Sub-Station or the Head of NPC's Office in Quezon City. But plaintiffs' plea just fell on the deaf ear. The next thing they know was Civil Case No. Q-1174-95 already filed in court. A party to a case shall not do falsehood nor shall mislead or misrepresent the contents of its pleading. That gross misrepresentation had been made by the National Power Corporation in their said pleading is irrefutable.

Plaintiffs-spouses Campos declared that there are other areas more suitable or appropriate that can be utilized as alternative sites for the all-steel transmission line tower. Just a few meters from the planned right-of-way is an abandoned road occupied by squatters; it is a government property and the possession of which the NPC need not compensate. The latter had not exercised judiciously in the proper selection of the property to be appropriated. Evidently, NPC's choice was whimsical and capricious. Such arbitrary selection of plaintiffs' property despite the availability of another property in a manner compatible with the greatest public good and the least private injury, constitutes an impermissible encroachment of plaintiffs' proprietary rights and their right to due process and equal protection.

Concededly, NPC's intention is to expropriate a portion of plaintiffs' property. This limitation on the right of ownership is the paramount right of the National Power Corporation granted by law. But before a person can be deprived of his property through the exercise of the power of eminent domain, the requisites of law must strictly be complied with. (*Endencia vs. Lualhati*, 9 Phil. 177) No person shall be deprived of his property except by competent authority and for public use and always upon payment of just compensation. Should this requirement be not first complied with, the courts shall protect and, in a proper case, restore the owner in his possession. (Art. 433 Civil Code of the Philippines)

Records disclose that in breach of such verbal promise, defendant NPC had not withdrawn the wooden electrical posts and transmission lines; said wooden electrical posts and transmission lines still occupy a portion of plaintiffs' property; that the NPC had benefited from them for a long period of time already, sans compensation to the owners thereof.

Without first complying with the primordial requisites appurtenant to the exercise of the power of eminent domain, defendant NPC again boldly intruded into plaintiffs' property by conducting engineering surveys with the end in view of expropriating 5,320 square meters thereof to be used as right-of-way for the all-steel transmission line tower of the Calaca-Dasmariñas 230 KV T/L Project. Such acts constitute a deprivation of one's property for public use without due compensation. It would therefore seem that the expropriation had indeed departed from its own purpose and turns out to be an instrument to repudiate compliance with obligation legally and validly contracted.[9]

On September 26, 1996, the RTC rendered a decision finding the petitioner liable for damages to the respondents. The dispositive portion of the RTC decision reads:

WHEREFORE, in view of the foregoing consideration, justment [sic] is hereby rendered in favor of the plaintiffs, condemning the defendant to pay —

- (a) Actual damages of P480,000.00 for the use of plaintiff's property;
- (b) One Million Pesos (P1,000,000.00) as moral damages;
- (c) Five Hundred Thousand Pesos (P500,000.00) as nominal damages;
- (d) One Hundred Fifty Thousand Pesos (P150,000.00) as attorney's fees; and
- (e) Costs of suit in the amount of P11,239.00.

SO ORDERED.[10]

The petitioner appealed the decision to the Court of Appeals which on June 16, 1990 rendered a decision affirming the ruling of the RTC.

Essentially, the CA held that the respondents' claim for compensation and damages had not prescribed because Section 3(i) of the petitioner's Charter, Republic Act No. 6395, as amended, is not applicable to the case. The CA likewise gave scant consideration to the petitioner's claim that the respondents' complaint should be dismissed on the ground of *litis pendencia*. According to the CA, the complaint *a quo* was the more appropriate action considering that the venue for the expropriation case (Civil Case No. 1174-95) was initially improperly laid. The petitioner filed the expropriation proceedings with the RTC in Imus, Cavite, when the subject property is located in Dasmariñas, Cavite. Moreover, the parties in the two actions are not the same since the respondents were no longer included as defendants in the petitioner's amended complaint in the expropriation case (Civil Case No. 1174-95) but were already replaced by Solar Resources, Inc., the buyer of the subject property, as defendant therein.

The CA likewise found the damages awarded by the RTC in favor of the respondents just and reasonable under the circumstances obtaining in the case.

The petitioner now comes to this Court seeking to reverse and set aside the assailed decision. The petitioner alleges as follows:

I

The Court of Appeals grievously erred and labored under a gross misapprehension of fact in finding that the Complaint below should not be dismissed on the ground of prescription.

II

The Court of Appeals erred in affirming the award of nominal and moral damages, attorney's fees and costs of litigation.[11]

Citing Article 620 of the Civil Code, the petitioner contends that it had already acquired the easement of right-of-way over the portion of the subject property by prescription, the said easement having been allegedly continuous and apparent for a period of about twenty-three (23) years, i.e., from about the middle of 1970 to the early part of 1994. The petitioner further invokes Section 3(i) of its Charter in asserting that the respondents already waived their right to institute any action for compensation and/or damages concerning the acquisition of the easement of right-of-way in the subject property. Accordingly, the petitioner concludes that the award of damages in favor of the respondents is not warranted.

The petition is bereft of merit.

The petitioner's claim that, under Article 620 of the Civil Code, it had already acquired by prescription the

easement of right-of-way over that portion of the subject property where its wooden electric posts and transmission lines were erected is untenable. Article 620 of the Civil Code provides that:

Art. 620. Continuous and apparent easements are acquired either by virtue of a title or by prescription of ten years.

Prescription as a mode of acquisition requires the existence of the following: (1) capacity to acquire by prescription; (2) a thing capable of acquisition by prescription; (3) possession of the thing under certain conditions; and (4) lapse of time provided by law.[12] Acquisitive prescription may either be ordinary, in which case the possession must be in good faith and with just title,[13] or extraordinary, in which case there is neither good faith nor just title. In either case, there has to be possession which must be in the concept of an owner, public, peaceful and uninterrupted.[14] As a corollary, Article 1119 of the Civil Code provides that:

Art. 1119. Acts of possessory character executed in virtue of license or by mere tolerance of the owner shall not be available for the purposes of possession.

In this case, the records clearly reveal that the petitioner's possession of that portion of the subject property where it erected the wooden posts and transmission lines was merely upon the tolerance of the respondents. Accordingly, this permissive use by the petitioner of that portion of the subject property, no matter how long continued, will not create an easement of right-of-way by prescription. The case of *Cuaycong vs. Benedicto*[15] is particularly instructive. In that case, the plaintiffs for more than twenty years made use of the road that passed through the hacienda owned by the defendants, being the only road that connected the plaintiff's hacienda to the public road. The defendants closed the road in question and refused the use of the same unless a toll was paid. The plaintiffs therein brought an action to enjoin the defendants from interfering with the use of the road. In support of their action, the plaintiffs presented evidence tending to show that they have acquired the right-of-way through the road by prescription. This Court rejected the contention, holding as follows:

Had it been shown that the road had been maintained at the public expense, with the acquiescence of the owners of the estates crossed by it, this would indicate such adverse possession by the government as in course of time would ripen into title or warrant the presumption of a grant or of a dedication. But in this case there is no such evidence, and the claims of plaintiffs, whether regarded as members of the public asserting a right to use the road as such, or as persons claiming a private easement of way over the land of another must be regarded as resting upon the mere fact of user.

If the owner of a tract of land, to accommodate his neighbors or the public in general, permits them to cross his property, it is reasonable to suppose that it is not his intention, in so doing, to divest himself of the ownership of the land so used, or to establish an easement upon it, and that the persons to whom such permission, tacit or express, is granted, do not regard their privilege of use as being based upon anything more than the mere tolerance of the owner. Clearly, such permissive use is in its inception based upon an essentially revocable license. If the use continues for a long period of time, no change being made in the relations of the parties by any express or implied agreement, does the owner of the property affected lose his right of revocation? Or, putting the same question in another form, does the mere permissive use ripen into title by prescription?

It is a fundamental principle of the law in this jurisdiction concerning the possession of real property that such possession is not affected by acts of a possessory character which are "merely tolerated" by the possessor, which are or due to his license (Civil Code, arts. 444 and 1942). This principle is applicable not only with respect to the prescription of the dominium as a whole, but to the prescription of right in rem. In the case of *Cortes vs. Palanca Yu-Tibo* (2 Phil. Rep., 24, 38), the Court said:

The provision of article 1942 of the Civil Code to the effect that acts which are merely tolerated produce no effect with respect to possession is applicable as much to the prescription of real rights as to the prescription of

the fee, it being a glaring and self-evident error to affirm the contrary, as does the appellant in his motion papers. Possession is the fundamental basis of prescription. Without it no kind of prescription is possible, not even the extraordinary. Consequently, if acts of mere tolerance produce no effect with respect to possession, as that article provides, in conformity with article 444 of the same Code, it is evident that they can produce no effect with respect to prescription, whether ordinary or extraordinary. This is true whether the prescriptive acquisition be of a fee or of real rights, for the same reason holds in one and the other case; that is, that there has been no true possession in the legal sense of the word. (Citations omitted)

Possession, under the Civil Code, to constitute the foundation of a prescriptive right, must be possession under claim of title (*en concepto de dueño*), or to use the common law equivalent of the term, it must be adverse. Acts of possessory character performed by one who holds by mere tolerance of the owner are clearly not *en concepto de dueño*, and such possessory acts, no matter how long so continued, do not start the running of the period of prescription.[16]

Following the foregoing disquisition, the petitioner's claim that it had acquired the easement of right-of-way by prescription must perforce fail. As intimated above, possession is the fundamental basis of prescription, whether ordinary or extraordinary. The petitioner never acquired the requisite possession in this case. Its use of that portion of the subject property where it erected the wooden poles and transmission lines was due merely to the tacit license and tolerance of the respondents. As such, it cannot be made the basis of the acquisition of an easement of right-of-way by prescription.

Neither can the petitioner invoke Section 3(i) of its Charter (Rep. Act No. 6395, as amended) to put up the defense of prescription against the respondents. The said provision reads in part:

Sec. 3(i). ... The Corporation or its representatives may also enter upon private property in the lawful performance or prosecution of its business or purposes, including the construction of transmission lines thereon; Provided, that the owner of such private property shall be paid the just compensation therefor in accordance with the provisions hereinafter provided; Provided, further, that any action by any person claiming compensation and/or damages shall be filed within five years after the right-of-way, transmission lines, substations, plants or other facilities shall have been established: Provided, finally, that after the said period no suit shall be brought to question the said right-of-way, transmission lines, substations, plants or other facilities nor the amounts of compensation and/or damages involved;

Two requisites must be complied before the above provision of law may be invoked:

- The petitioner entered upon the private property in the lawful performance or prosecution of its businesses or purposes; and
- The owner of the private property shall be paid the just compensation therefor.

As correctly asserted by the respondents, Section 3(i) of Rep. Act No. 6395, as amended, presupposes that the petitioner had already taken the property through a negotiated sale or the exercise of the power of eminent domain, and not where, as in this case, the petitioner was merely temporarily allowed to erect wooden electrical posts and transmission lines on the subject property. Significantly, the provision uses the term "just compensation," implying that the power of eminent domain must first be exercised by the petitioner in accordance with Section 9, Article III of the Constitution, which provides that "no private property shall be taken for public use without just compensation."

This Court's ruling in *Lopez vs. Auditor General*[17] is likewise in point:

The petitioner brought this case to this Court on the sole issue of prescription. He cites *Alfonso vs. Pasay City* in which a lot owner was allowed to bring an action to recover compensation for the value of his land, which

the Government had taken for road purposes, despite the lapse of thirty years (1924-1954). On the other hand, the respondents base their defense of prescription on *Jaen vs. Agregado* which held an action for compensation for land taken in building a road barred by prescription because it was brought after more than ten years (i.e., thirty three years, from 1920 to 1953). They argue that the ruling in *Alfonso* cannot be applied to this case because, unlike *Alfonso* who made repeated demands for compensation within ten years, thereby interrupting the running of the period of prescription, the petitioner here filed his claim only in 1959.

It is true that in *Alfonso vs. Pasay City* this Court made the statement that "registered lands are not subject to prescription and that on grounds of equity, the government should pay for private property which it appropriates though for the benefit of the public, regardless of the passing of time." But the rationale in that case is that where private property is taken by the Government for public use without first acquiring title thereto either through expropriation or negotiated sale, the owner's action to recover the land or the value thereof does not prescribe. This is the point that has been overlooked by both parties.

On the other hand, where private property is acquired by the Government and all that remains is the payment of the price, the owner's action to collect the price must be brought within ten years otherwise it would be barred by the statute of limitations.[18]

Thus, the five-year period provided under Section 3(i) of Rep. Act No. 6395, as amended, within which all claims for compensation and/or damages may be allowed against the petitioner should be reckoned from the time that it acquired title over the private property on which the right-of-way is sought to be established. Prior thereto, the claims for compensation and/or damages do not prescribe. In this case, the findings of the CA is apropos:

Undeniably, NPC never acquired title over the property over which its wooden electrical posts and transmission lines were erected. It never filed expropriation proceedings against such property. Neither did it negotiate for the sale of the same. It was merely allowed to temporarily enter into the premises. As NPC's entry was gained through permission, it had no intention to acquire ownership either by voluntary purchase or by the exercise of eminent domain.[19]

The petitioner instituted the expropriation proceedings only on December 12, 1995. Indisputably, the petitioner never acquired title to that portion of the subject property where it erected the wooden electrical posts and transmission lines. Until such time, the five-year prescriptive period within which the respondents' right to file an action to claim for compensation and/or damages for the petitioner's use of their property does not even commence to run. The CA thus correctly ruled that Section 3(i) of Rep. Act No. 6395, as amended, finds no application in this case and that the respondents' action against the petitioner has not prescribed.

With respect to the damages awarded in favor of the respondents, the petitioner avers, thus:

The Court of Appeals erred in affirming the award of nominal and moral damages, attorney's fees and costs of litigation.

It follows from Section 31(c) of R.A. 6395 that the award moral and nominal damages, as well as attorney's fees and costs are baseless. The right to claim them has likewise prescribed.[20]

With our ruling that the claims of the respondents had not prescribed, the petitioner's contention that the respondents are not entitled to moral and nominal damages and attorney's fees must fail. In affixing the award for moral and nominal damages and attorney's fees, the CA ratiocinated:

With respect to the fourth assignment of error, this Court is not persuaded to reverse much less modify the court a quo's findings.

An award of moral damages would require certain conditions to be met, to wit: (1) first, there must be an injury, whether physical, mental or psychological, clearly sustained by the claimant; (2) second, there must be a culpable act or omission factually established; (3) third, the wrongful act or omission of the defendant is the proximate cause of the injury sustained by the claimant; and (4) fourth, the award of damages is predicated on any of the cases stated in Article 2219 of the Civil Code.

NPC made it appear that it negotiated with the appellees when no actual negotiations took place. This allegation seriously affected the on-going sale of the property to Solar Resources, Inc. as appellees seemed to have sold the property knowing fully well that a portion thereof was being expropriated. Such an act falls well within Article 21 of the Civil Code. NPC's subterfuge certainly besmirched the reputation and professional standing of Justice Jose C. Campos, Jr. and Professor Maria Clara A. Lopez-Campos, and caused them physical suffering, mental anguish, moral shock and wounded feelings.

The records show that Justice Campos' career included, among other[s], being a Professor of Law at the University of the Philippines; Acting Chairman of the Board of Transportation; Presiding Judge of the Court of First Instance of Pasay City, and Associate Justice of the Court of Appeals. Such career reached its apex when he was appointed Associate Justice of the Supreme Court in 1992. Justice Campos was a member of the Judicial and Bar Council when NPC filed its Civil Case No. 1174-95. Professor Maria Clara A. Lopez-Campos is a noted authority in Corporate and Banking Laws and is a Professor Emerita of the University of the Philippines from 1981 to the present. She had taught more than three decades at the College of Law. Against such backdrop, it does not take too much imagination to conclude that the oppressive and wanton manner in which NPC sought to exercise its statutory right of eminent domain warranted the grant of moral damages.

On the award of nominal damages, such are adjudicated in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized, and not for the purpose of indemnifying the plaintiff for any loss suffered by him. As previously discussed, it does not brood well for a government entity such as NPC to disregard the tenets of private property enshrined in the Constitution. NPC not only intentionally trespassed on appellees' property and conducted engineering surveys thereon but also sought to fool the appellees' caretaker by claiming that such entry was authorized. Moreover, NPC even justifies such trespass as falling under its right to expropriate the property. Under the circumstances, the award of nominal damages is sustained.

That NPC's highhanded exercise of its right of eminent domain constrained the appellees to engage the services of counsel is obvious. As testified upon, the appellees engaged their counsel for an agreed fee of P250,000.00. The trial court substantially reduced this to P150,000.00. Inasmuch as such services included not only the present action but also those for Civil Case No. 1174-95 erroneously filed by NPC with the Regional Trial Court of Imus, Cavite, and the Petition for Certiorari in CA-GR No. 41782, this Court finds such attorney's fees to be reasonable and equitable.[21]

We agree with the CA.

The award of moral damages in favor of the respondents is proper given the circumstances obtaining in this case. As found by the CA:

NPC made it appear that it negotiated with the appellees when no actual negotiation took place. This allegation seriously affected the on-going sale of the property to Solar Resources, Inc. as appellees seemed to have sold the property knowing fully well that a portion thereof was being expropriated. Such an act falls well within Article 21 of the Civil Code. NPC's subterfuge certainly besmirched the reputation and professional standing of Justice Jose C. Campos, Jr. and Professor Maria Clara A. Lopez-Campos, and caused them physical suffering, mental anguish, moral shock and wounded feelings.

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Further, nominal damages are adjudicated in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized, and not for the purpose of indemnifying the plaintiff for any loss suffered by him.[23] Similarly, the court may award nominal damages in every case where any property right has been invaded.[24] The petitioner, in blatant disregard of the respondents' proprietary right, trespassed the subject property and conducted engineering surveys thereon. It even attempted to deceive the respondents' caretaker by claiming that its agents were authorized by the respondents to enter the property when in fact, the respondents never gave such authority. Under the circumstances, the award of nominal damages is likewise warranted.

Finally, the award of attorney's fees as part of damages is deemed just and equitable considering that by the petitioner's unjustified acts, the respondents were obviously compelled to litigate and incur expenses to protect their interests over the subject property.[25]

WHEREFORE, the petition is hereby DENIED for lack of merit. The assailed Decision dated June 16, 2000 of the Court of Appeals in CA-G.R. CV No. 54265 is AFFIRMED in toto.

SO ORDERED.

Bellosillo, (Chairman), and Quisumbing, JJ., concur.

Austria-Martinez, J., on official leave.

[1] Penned by Associate Justice Eugenio S. Labitoria, Chairman, Twelfth Division, with Associate Justices Bernardo P. Abesamis and Wenceslao I. Agnir, Jr. concurring.

[2] Penned by Judge Justo M. Sultan.

[3] Records, pp. 1-3.

[4] Id. at 3-4.

[5] Id. at 4-5.

[6] Id.

[7] Id. at 5-6.

[8] Id. at 6-7.

[9] Id. at 325-328.

[10] Id. at 329.

[11] Rollo, pp. 18-19.

[12] TOLENTINO, IV CIVIL CODE OF THE PHILIPPINES 14 (1985).

[13] Article 1117, CIVIL CODE.

[14] Article 1118, CIVIL CODE.

[15] 37 Phil. 783 (1918).

[16] Id. at 792-793.

[17] 20 SCRA 655 (1967).

[18] Id. at 656-657. (Citations omitted).

[19] Rollo, p. 32.

[20] Id. at 21.

[21] Id. at 39-40.

[22] CA Decision, p. 15; Rollo, p. 39.

[23] Article 2221, CIVIL CODE.

[24] Article 2222, CIVIL CODE.

[25] Producers Bank of the Philippines v. Court of Appeals, 365 SCRA 326 (2001).

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