

HENRY JAMES PIKE, PETITIONER, VS. NATIONAL POWER CORPORATION, RESPONDENT.

G.R. No. 148199. November 24, 2004

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

Challenged in this case is the Decision[1] of the Court of Appeals (CA) in *National Power Corporation v. Henry James Pike, Aurelia Gapit and Crisanto Navarette*, CA-G.R. CV No. 56686, which set aside and reversed the judgment of the Regional Trial Court (RTC) of Calamba, Laguna, Branch 35, in Civil Case No. 2245-95-C in the form of an Order.[2]The Antecedents

The National Power Corporation (NPC) is a government-owned and controlled corporation created and existing by virtue of Republic Act No. 6395, as amended, for the purpose of undertaking the development of hydraulic power, the production of power from any source, particularly by constructing, operating and maintaining power plants, auxiliary plants, dams, reservoirs, pipes, mains, transmission lines, power stations and other works, and to develop hydraulic power from any river, creek, lake, spring and waterfalls in the Philippines.

On November 17, 1995, NPC filed a Complaint for the expropriation of a portion of Lot No. 4553, Cad. 397, Bay Cadastre, with an area of 14,212 square meters, located at Barangay Bitin, Bay, Laguna, for the construction and maintenance of its Modular Plant D Project. Impleaded as defendants were petitioner Henry James Pike, Crisanto Navarette and Aurelia Gapit, who were alleged to be the owners/claimants of the property. In his omnibus answer to the complaint, the petitioner claimed ownership of the entire property. He alleged that his property, covered by Tax Declaration No. 02-003-0454, originally consisted of 45,492 square meters and that a portion with an area of 22,703 square meters had been expropriated by the respondent, leaving a residue of 19,571 square meters. He prayed that, after due proceedings, judgment be rendered in his favor, thus:

WHEREFORE, premises considered, defendant PIKE, in particular, and unto this Honorable Court, most respectfully prays that judgment be rendered in favor of herein defendant PIKE and ordering plaintiff:

- To pay defendant PIKE the fair and prevailing value of the taken land, covering an area of 14,212 square meters, with legal interest thereon, computed from the date of its actual taking without authority of law and consent;

- On Affirmative Defenses; and, On Prayer For Summary And/Or Judgment On The Pleadings:

To require hearing thereon, with notice to plaintiff, and, thereafter, to render summary judgment and/or judgment on the pleading in favor of defendant Pike, in particular;

- To pay defendant PIKE the amount of P800,000.00 in terms of actual, consequential, moral, exemplary, corrective and exemplary damages;

- To pay defendant PIKE another amount of P150,000.00 by way of attorney's fees;

- To pay defendant PIKE the other amount of P25,000.00 as additional expenses of litigations.

That defendant PIKE further prays for such other relief and remedies that the Honorable Court may deem it just, proper and equitable under the premises.[3]

The parties submitted a Joint Memorandum[4] to the court on January 11, 1996 in which they prayed that partial judgment be rendered over a portion of the property with an area of 9,058 square meters, including the improvements thereon, at the price of P147.75 per square meter, to be paid by the respondent to the petitioner as owner thereof. On motion of the petitioner, the court issued an Order on January 12, 1996, directing the respondent to pay to the petitioner the amount of P1,338,319.50 for the portion of the property covering an area of 9,058 square meters, and a separate payment for the improvements thereon.[5] Thus, only a portion of the property with an area of 5,159 square meters was to be litigated on by the parties.

The petitioner, thereafter, filed an Omnibus Motion for Leave and to Admit his Amended Answer Impleading Cross-Claims, where he claimed ownership of the remaining 5,159-square meter portion of the property. The petitioner prayed that, after due proceedings, judgment be rendered, thus:

WHEREFORE, premises considered, defendant PIKE, in particular, and unto this Honorable Court, most respectfully prays that judgment be rendered in favor of herein defendant PIKE and ordering plaintiff:

- To pay defendant PIKE the fair and prevailing value of the taken land, covering an area of 14,212 square meters, with legal interest thereon, computed from the date of its actual taking without authority of law and consent;

- On Affirmative Defenses; and, On Prayer For Summary And/Or Judgment On The Pleadings:

To require hearing thereon, with notice to plaintiff, and, thereafter, to render summary judgment and/or judgment on the pleading in favor of defendant Pike, in particular;

- On Cross-Claims: To direct plaintiff, herein plaintiff National Power Corporation, to pay and compensate, in terms of just compensation, herein defendant Henry James Pike, in particular, to the exclusion of co-defendants Crisanto Navarette and Aurelia Gapit;

- To pay defendant PIKE the amount of P800,000.00 in terms of actual, consequential, moral, exemplary, corrective and nominal damages;

- To pay defendant PIKE another amount of P25,000.00, as additional expenses of litigations.

That defendant PIKE further prays for such other relief and remedies that the Honorable Court may deem it just, proper and equitable under the premises.[6]

Nevertheless, the petitioner filed, on February 12, 1996, an Omnibus Motion for Leave to File and Admit Third-Party Complaint against the respondent and Crisanto Navarette and Aurelia Gapit, appending thereto his third-party complaint. On February 14, 1996, the trial court issued an Order admitting the petitioner's amended answer; however, his motion for leave to file and admit third-party complaint was denied. Despite the service of the amended answer of the petitioner on Navarette and Gapit, the latter failed to file their answers on his cross-claims. On motion of the petitioner, the trial court issued an Order[7] on March 8, 1996, declaring Navarette and Gapit in default on the petitioner's cross-claims, and set the reception of evidence, ex parte, thereon at 8:30 a.m. of March 15, 1996.

On June 25, 1996, Navarette and Gapit, through their attorney-in-fact Engr. Rodel Formeloza, filed a verified motion to lift the March 8, 1996 Order of the trial court and filed their answer with counterclaims and cross-claims. They alleged therein that the petitioner was an American citizen, disqualified to own real property, and that, having been in actual, adverse and continuous possession of property with an area of 6,500 square meters for more than thirty (30) years, they had acquired the same by virtue of acquisitive prescription and were

the owners thereof. Navarette and Gapit, likewise, alleged that:

- Defendant Pike's act of claiming a land that is not his and, worse, if he accepted the payment for the same knowing fully well that the same does not belong nor that he is not qualified to own such lands, is plain and simple fraud;
- If defendant Pike received anything from the NPC that should not pertain to him but to herein defendants, the same must be returned to herein defendants;
- Because of his wrongful claim that a portion of defendants' land belongs to him, herein defendants suffered actual, moral, exemplary and litigation damages (sic), to wit:
 - Actual damages for the hiring of a geodetic surveyor to prove the extent of their land ownership; the going to and from the Bureau of Lands to have the same approved, coordination with the NPC, prior to this suit, to clarify and prove their ownership thereof;
 - Moral damages for the pain and the worry, the social humiliation sleepless nights and besmirched reputation caused by his wrongfully claiming the lands belonging to the herein defendants;
 - Exemplary damages for claiming a land that is not his and asking the NPC to pay him for lands that he knows he does not own nor be unable to own;
 - The cost of hiring the herein counsel for an agreed sum of Fifty Thousand Pesos (P50,000) and the costs of suit such as xeroxing, mailing, printing in the computer and others, in the amount of P50,000 for the duration of this suit;
 - Others.[8]

The petitioner opposed the motion, contending that he was a natural-born Filipino; and that he owned the property to the exclusion of Navarette and Gapit. On August 21, 1996, the trial court granted the motion of Navarette and Gapit and set aside its March 8, 1996 Order declaring them in default on the petitioner's cross-claims, and admitted the said answer of the said defendants.[9] On September 18, 1996, the trial court issued an Order[10] terminating the pre-trial.

In an Order dated February 24, 1997, the trial court rendered judgment in favor of the petitioner as follows:

WHEREFORE, premises considered, this Court resolves to give judicious weight on the rightful ownership of defendant Henry James Pike, in particular, over the remaining portion of land with an area of 5,159 square meters; and, accordingly, plaintiff National Power Corporation is hereby directed to pay defendant Pike, to the exclusion of defendants Crisanto Navarette and Aurelia Gapit, the computed amount of P762,242.25 for the area of 5,159 square meters at P147.75 per square meter.

In the meantime, all counterclaims and cross-claims lodged by [the] respective parties in this case, including all pleadings of the same imports, are hereby dismissed without pronouncement as to costs.

SO ORDERED.[11]

Believing that the February 24, 1997 judgment of the RTC had become final and executory, the respondent paid the amount to the petitioner.

Gapit and Navarette appealed the order to the CA which rendered judgment in their favor on April 30, 2001, reversing and setting aside the February 24, 1997 Order of the RTC, and ordered the remand of the records to the RTC for further proceedings.

The petitioner now comes to the court via a petition for review on certiorari against the respondent, alleging that

the CA erred as follows: (a) in assuming appellate jurisdiction over the appeal and in reversing the decision of the RTC which had become final and executory; (b) in holding that the respondents were deprived of their day in court; and (c) in not dismissing the appeal before it on the ground of forum shopping.[12]

In its comment on the petition, the respondent avers that –

[THE] PETITIONER HAS FAILED TO IMPLEAD AS RESPONDENTS THE PROPER PARTIES; OTHERWISE STATED, AURELIA GUPIT (SIC) AND CRISANTO NAVARETTE, NOT NPC, SHOULD HAVE BEEN IMPLEADED AS RESPONDENTS IN THE INSTANT PETITION.[13]

The respondent further claims that the petitioner has no cause of action against it, considering that it had already paid the petitioner the total amount of P2,100,561.75 for the entire property sought to be expropriated, including that portion claimed by Gapit and Navarette, the defendants-appellants in the CA:

In passing, it is worthy to note for purposes of record that the original appeal (CA-G.R. CV No. 56686), wherein the decision rendered by the Honorable Court of Appeals on April 30, 2001, last; and, on account of said decision the present appeal has been lodged with the Honorable Supreme [Court], was then elevated to the Honorable Appellate Court, in Manila, by way of [an] appeal, without the knowledge or acquiescence of herein appellant Pike. In effect, the partial judgment (Annex “O,” supra) rendered under Civil Case No. 2245-95-C (petition) (RTC-Br. 35, Calamba) as well as the subsequent Court order, dated February 24, 1997, (Annex “M,” supra) were both stamped with finality and, thus, put to end appellant Pike’s claims for just compensation on his expropriated land had been paid in the total amount of TWO MILLION ONE HUNDRED THOUSAND FIVE HUNDRED SIXTY ONE & 75/100 (P2,100,561.75), as its full compensation that ultimately terminated the original expropriation proceeding in so as herein appellant Pike and the appellee Napocor were concern (sic).

Thus, as between appellee Napocor and appellant Pike, there is no cogent reason and legal basis for the latter (Pike) to cross-examine the witnesses of appellee (Napocor), nor to adduce evidence on his part.[14]

In his reply, the petitioner asserts that there is no longer a need to still implead Navarette and Gapit as parties, as they had already been given their day in court in the trial and appellate courts.

The Ruling of the Court

The issue before the Court is whether or not the respondent is the proper party-in-interest as party-respondent.

We agree with the respondent that the proper parties as respondents in the present petition are Gapit and Navarette, who were the defendants-appellants in the CA.

First. Section 4, Rule 45 of the 1997 Rules of Civil Procedure provides that:

Sec. 4. Contents of petition. – The petition shall be filed in eighteen (18) copies, with the original copy intended for the court being indicated as such by the petitioner; and shall (a) state the full name of the appealing party as the petitioner and the adverse party as respondent, without impleading the lower courts or judges thereof either as petitioners or respondents; (b) indicate the material dates showing when notice of the judgment or final order or resolution subject thereof was received, when a motion for new trial or reconsideration, if any, was filed and when notice of the denial thereof was received; (c) set forth concisely a statement of the matters involved, and the reasons or arguments relied on for the allowance of the petition; (d) be accompanied by a clearly legible duplicate original, or a certified true copy of the judgment or final order or resolution certified by the clerk of court of the court a quo and the requisite number of plain copies thereof, and such material portions of the record as would support the petition; and (e) contain a sworn certification against forum shopping as provided in the last paragraph of Section 2, Rule 42.[15]

The adverse parties in the Rule refer to the parties in whose favor the appellate court rendered its decision adverse

to the petitioner, as appellee. Under the decision of the CA, the aggrieved parties are the petitioner and the respondent NPC; on the other hand, Gapit and Navarette, the winning parties in the CA, are the adverse parties in this case.

Second. Gapit and Navarette are parties-in-interest under Section 2, Rule 3 of the 1997 Rules of Civil Procedure, which reads:

Sec. 2. Parties-in-interest. – A real party-in-interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless, otherwise, authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party-in-interest.

They are, in fact, indispensable parties under Section 7, Rule 3 of the said Rules:

Sec. 7. Compulsory joinder of indispensable parties. – Parties-in-interest without whom no final determination can be had of an action shall be joined either as plaintiffs or defendants.

Unless Gapit and Navarette are joined as parties-respondents, any judgment of the Court in this case shall not be binding on them. All subsequent actuations of the Court shall then be rendered null and void for want of authority to act, not only as to the absent parties but also as to those present.[16] The Court cannot thus proceed without their presence.

Clearly, the respondent is not the proper party as respondent before this Court because it was the plaintiff-appellee in the CA; as such, it has the option to assail the decision of the CA or to simply abide by it. The respondent opted not to challenge the decision of the CA. Besides, the respondent had already paid to the petitioner the price of the property, including that claimed by Gapit and Navarette, as fixed by the trial court in its February 24, 1997 Decision.

IN LIGHT OF ALL THE FOREGOING, the petition is DENIED for lack of merit.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Tinga, and Chico-Nazario, JJ., concur.

[1] Penned by Associate Justice Ruben T. Reyes, with Associate Justices Eriberto U. Rosario, Jr. (retired) and Juan Q. Enriquez, Jr., concurring.

[2] Penned by Judge Romeo C. De Leon.

[3] Records, pp. 32-33.

[4] Id. at 70-71.

[5] Id. at 73.

[6] Id. at 87-88.

[7] Id. at 112.

[8] Id. at 181-182.

[9] Id. at 231.

[10] Id. at 240.

[11] Id. at 318.

[12] Rollo, p. 40.

[13] Id. at 161.

[14] Id. at 163-164.

[15] Underscoring supplied.

[16] *Lim Tan Hu v. Ranolete*, 66 SCRA 425 (1975).

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