

AIR TRANSPORTATION OFFICE (ATO) AND MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY (MCIAA), PETITIONERS, VS. APOLONIO GOPUCO, JR., RESPONDENT.

G.R. No. 158563. June 30, 2005

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-158563/>

CHICO-NAZARIO, J.:

When private land is expropriated for a particular public use, and that particular public use is abandoned, does its former owner acquire a cause of action for recovery of the property?

The trial court's ruling in the negative was reversed by the Court of Appeals in its Decision[1] of 28 February 2001. Hence this petition for review under Rule 45 of the 1997 Rules of Civil Procedure of the said Decision of the court a quo, and its Resolution[2] of 22 May 2003 dismissing petitioners' motion for reconsideration.

The facts, as adduced from the records, are as follows:

Respondent Apolonio Gopuco, Jr. was the owner of Cadastral Lot No. 72 consisting of 995 square meters located in the vicinity of the Lahug Airport in Cebu City covered by Transfer Certificate of Title (TCT) No. 13061-T.

The Lahug Airport had been turned over by the United States Army to the Republic of the Philippines sometime in 1947 through the Surplus Property Commission, which accepted it in behalf of the Philippine Government. In 1947, the Surplus Property Commission was succeeded by the Bureau of Aeronautics, which office was supplanted by the National Airport Corporation (NAC). The NAC was in turn dissolved and replaced with the Civil Aeronautics Administration (CAA).[3]

Sometime in 1949, the NAC informed the owners of the various lots surrounding the Lahug Airport, including the herein respondent, that the government was acquiring their lands for purposes of expansion. Some landowners were convinced to sell their properties on the assurance that they would be able to repurchase the same when these would no longer be used by the airport. Others, including Gopuco, refused to do so.

Thus, on 16 April 1952, the CAA filed a complaint with the Court of First Instance (CFI) of Cebu for the expropriation of Lot No. 72 and its neighboring realties, docketed as Civil Case No. R-1881.

On 29 December 1961, the CFI promulgated a Decision,

1. Declaring the expropriation of [the subject lots, including Lot No. 72] justified and in lawful exercise of the right of eminent domain;
2. Declaring . . . a balance of P1,990 in favor of Apolonio Go Puco, Jr. with legal interest from November 16, 1947 until fully paid. . . .;
3. After the payment of the foregoing financial obligation to the landowners, directing the latter to deliver to the plaintiff the corresponding Transfer Certificates of Title to their respective lots; and upon the presentation of the said titles to the Register of Deeds, ordering the latter to cancel the same and to issue, in lieu thereof,

new Transfer Certificates of Title in the name of the plaintiff.[4]

No appeal was taken from the above Decision on Lot No. 72, and the judgment of condemnation became final and executory. Thereafter, on 23 May 1962, absolute title to Lot No. 72 was transferred to the Republic of the Philippines under TCT No. 25030.[5]

Subsequently, when the Mactan International Airport commenced operations, the Lahug Airport was ordered closed by then President Corazon C. Aquino in a Memorandum of 29 November 1989.[6] Lot No. 72 was thus virtually abandoned.[7]

On 16 March 1990, Gopuco wrote[8] the Bureau of Air Transportation, through the manager of the Lahug Airport, seeking the return of his lot and offering to return the money previously received by him as payment for the expropriation. This letter was ignored.[9]

In the same year, Congress passed Republic Act No. 6958 creating the Mactan-Cebu International Airport Authority (MCIAA) and in part providing for the transfer of the assets of the Lahug Airport thereto. Consequently, on 08 May 1992, ownership of Lot No. 72 was transferred to MCIAA under TCT No. 120356.[10]

On 06 August 1992, Apolonio Gopuco, Jr. filed an amended complaint[11] for recovery of ownership of Lot No. 72 against the Air Transportation Office[12] and the Province of Cebu with the Regional Trial Court (RTC) of Cebu, Branch X, docketed as Civil Case No. CEB-11914. He maintained that by virtue of the closure of the Lahug Airport, the original purpose for which the property was expropriated had ceased or otherwise been abandoned, and title to the property had therefore reverted to him.

Gopuco further alleged that when the original judgment of expropriation had been handed down, and before they could file an appeal thereto, the CAA offered them a compromise settlement whereby they were assured that the expropriated lots would be resold to them for the same price as when it was expropriated in the event that the Lahug Airport would be abandoned. Gopuco claims to have accepted this offer.[13] However, he failed to present any proof on this matter, and later admitted that insofar as the said lot was concerned, no compromise agreement was entered into by the government and the previous owners.[14]

Lastly, Gopuco asserted that he had come across several announcements in the papers that the Lahug Airport was soon to be developed into a commercial complex, which he took to be a scheme of the Province of Cebu to make permanent the deprivation of his property.

On 20 May 1994, the trial court rendered a Decision[15] dismissing the complaint and directing the herein respondent to pay the MCIAA exemplary damages, litigation expenses and costs.

Aggrieved by the holding of the trial court, Gopuco appealed to the Court of Appeals, which overturned the RTC decision, ordered the herein petitioners to reconvey Lot No. 72 to Gopuco upon payment of the reasonable price as determined by it, and deleted the award to the petitioners of exemplary damages, litigation expenses and costs.

The Motion for Reconsideration was denied[16] on 22 May 2003, hence this petition, which raises the following issues:

WHETHER THE COURT OF APPEALS ERRED IN HOLDING THAT RESPONDENT HAS THE RIGHT TO RECLAIM OWNERSHIP OVER THE SUBJECT EXPROPRIATED LOT BASED ON THE IMPORT OF THE DECEMBER 29, 1961 DECISION IN CIVIL CASE NO. 1881.

WHETHER THE COURT OF APPEALS ERRED IN DELETING THE AWARD OF LITIGATION EXPENSES AND COSTS IN FAVOR OF PETITIONERS.

In deciding the original expropriation case that gave rise to the present controversy, Civil Case No. R-1881, the CFI reasoned that the planned expansion of the airport justified the exercise of eminent domain, thus:

As for the public purpose of the expropriation proceeding, it cannot be doubted. Although the Mactan Airport is being constructed, it does not take away the actual usefulness and importance of the Lahug Airport; it is handling the air traffic both civilian and military. From it aircrafts fly to Mindanao and Visayas and pass thru it on their return flights to the North and Manila. Then, no evidence was adduced to show how soon is the Mactan Airport to be placed in operation and whether the Lahug Airport will be closed immediately thereafter. It is for the other departments of the Government to determine said matters. The Court cannot substitute its judgment for those of the said departments or agencies. In the absence of such a showing, the Court will presume that the Lahug Airport will continue to be in operation.[17] (*italics supplied*)

By the time Gopuco had filed his action for recovery of ownership of Lot No. 72, Lahug Airport had indeed ceased to operate. Nevertheless, the trial court held:

The fact of abandonment or closure of the Lahug Airport admitted by the defendant did not by itself, result in the reversion of the subject property back to the plaintiff. Nor did it vest in the plaintiff the right to demand reconveyance of said property.

When real property has been acquired for public use unconditionally, either by eminent domain or by purchase, the abandonment or non-use of the real property, does not ipso facto give to the previous owner of said property any right to recover the same (*Fery vs. Municipality of Cabanatuan*, 42 Phil. 28).[18]

In reversing the trial court, the Court of Appeals called attention to the fact that both parties cited *Fery v. Municipality of Cabanatuan*,[19] which the trial court also relied on in its Decision. The court *a quo* agreed in Gopuco's interpretation of *Fery* that when the CFI in Civil Case No. R-1881 held that,

. . . [T]hen, no evidence was adduced to show how soon is the Mactan Airport to be placed in operation and whether the Lahug Airport will be closed immediately thereafter. . . . In the absence of such a showing, the Court will presume that the Lahug Airport will continue to be in operation, . . .[20]

the expropriation of the property was conditioned on its continued devotion to its public purpose. Thus, although the MCIAA stressed that nothing in the judgment of expropriation expressly stated that the lands would revert to their previous owners should the public use be terminated or abandoned, the Court of Appeals nevertheless ruled that,

. . . [W]hile, there is no explicit statement that the land is expropriated with the condition that when the purpose is ended the property shall return to its owner, the full import of the decision (in Civil Case No. R-1881) suggests that the expropriation was granted because there is no clear showing that Lahug Airport will be closed, the moment Mactan International Airport is put to operation. It stands to reason that should that public use be abandoned, then the expropriated property should revert back to its former owner.

Moreover, the foundation of the right to exercise the power of eminent domain is genuine necessity. Condemnation is justified only if it is for the public good and there is genuine necessity of a public character. Thus, when such genuine necessity no longer exists as when the State abandons the property expropriated, government interest must yield to the private right of the former land owner, whose property right was disturbed as a consequence of the exercise of eminent domain.

Justice, equity and fair play demand that the property should revert back to plaintiff-appellant upon paying the reasonable value of the land to be based on the prevailing market value at the time of judicial demand to recover the property. If the State expects landowners to cooperate in its bid to take private property for its public use, so must it apply also the same standard, to allow the landowner to reclaim the property, now that the public use has been abandoned.[21]

In this petition, the MCIAA reiterates that the Republic of the Philippines validly expropriated Lot No. 72 through the proceedings in Civil Case No. R-1881, the judgment of which had long become final and executory. It further asserts that said judgment vested absolute and unconditional title in the government, specifically on the petitioners, there having been no condition whatsoever that the property should revert to its owners in case the Lahug Airport should be abandoned.

On the other hand, the respondent would have us sustain the appellate court's interpretation of Fery as applied to the original judgment of expropriation, to the effect that this was subject to the condition "that the Lahug Airport will continue to be in operation."

We resolve to grant the petition.

In Fery, the Court asked and answered the same question confronting us now: When private land is expropriated for a particular public use, and that particular public use is abandoned, does the land so expropriated return to its former owner?[22]

The answer to that question depends upon the character of the title acquired by the expropriator, whether it be the State, a province, a municipality, or a corporation which has the right to acquire property under the power of eminent domain. If, for example, land is expropriated for a particular purpose, with the condition that when that purpose is ended or abandoned the property shall return to its former owner, then, of course, when the purpose is terminated or abandoned the former owner reacquires the property so expropriated. If, for example, land is expropriated for a public street and the expropriation is granted upon condition that the city can only use it for a public street, then, of course, when the city abandons its use as a public street, it returns to the former owner, unless there is some statutory provision to the contrary. . . . If upon the contrary, however, the decree of expropriation gives to the entity a fee simple title, then of course, the land becomes the absolute property of the expropriator, whether it be the State, a province, or municipality, and in that case the non-user does not have the effect of defeating the title acquired by the expropriation proceedings. (10 R.C.L., 240, Sec. 202; 20 C.J. 1234, Secs. 593-599 and numerous cases cited; Reichling vs. Covington Lumber Co., 57 Wash., 225; 135 Am. St. Rep., 976; McConihay vs. Wright, 121 U.S., 201.)

When land has been acquired for public use in fee simple, unconditionally, either by the exercise of eminent domain or by purchase, the former owner retains no rights in the land, and the public use may be abandoned or the land may be devoted to a different use, without any impairment of the estate or title acquired, or any reversion to the former owner. (Fort Wayne vs. Lake Shore, etc. Ry. Co., 132 Ind., 558; 18 L.R.A., 367.) (Emphases Supplied)[23]

Did the judgment of expropriation in Civil Case No. R-1881 vest absolute and unconditional title in the government? We have already had occasion to rule on this matter in Mactan-Cebu International Airport Authority v. Court of Appeals,[24] which is a related action for reconveyance of a parcel of land also subject of the expropriation proceedings in Civil Case No. R-1881. One of the landowners affected by the said proceeding was Virginia Chiongbian, to whom the CFI ordered the Republic of the Philippines to pay P34,415.00, with legal interest computed from the time the government began using her land. Like the herein respondent, she did not appeal from the CFI's judgment. Also like Gopuco, she eventually filed for the reconveyance of her property when the airport closed. Although she was upheld by both the RTC of Cebu and the Court of Appeals, on appeal we held that "the terms of the judgment (in Civil Case No. R-1881) are clear and unequivocal and granted title to Lot No. 941 in fee simple to the Republic of the Philippines. There was no condition imposed to the effect that the lot would return to CHIONGBIAN or that CHIONGBIAN had a right to repurchase the same if the purpose for which it was expropriated is ended or abandoned or if the property was to be used other than as the Lahug Airport." [25] Moreover, we held that although other lot owners were able to successfully reacquire their lands by virtue of a compromise agreement, since CHIONGBIAN was not a party to any such agreement, she could not

validly invoke the same.

The respondent would have us revisit this ruling for three reasons. First, because he claims there is no showing that the government benefited from entering into compromise agreements with the other lot owners; second, because such a doctrine supposedly discriminates against those who have "neither the werewithal nor the savvy to contest the expropriation," or agree to modify the judgment; and third, because there exists between the government and the owners of expropriated realty an "implied contract" that the properties involved will be used only for the public purpose for which they were acquired in the first place.

As to respondent's first and second arguments, we have time and again ruled that a compromise agreement, when not contrary to law, public order, public policy, morals, or good customs, is a valid contract which is the law between the parties.[26] It is a contract perfected by mere consent,[27] whereby the parties, making reciprocal concessions, avoid litigation or put an end to one already commenced. It has the force of law and is conclusive between the parties,[28] and courts will not relieve parties from obligations voluntarily assumed, simply because their contracts turned out to be unwise.[29] Note that respondent has not shown that any of the compromise agreements were in any way tainted with illegality, irregularity or imprudence. Indeed, anyone who is not a party to a contract or agreement cannot be bound by its terms, and cannot be affected by it.[30] Since Gopuco was not a party to the compromise agreements, he cannot legally invoke the same.[31]

Lastly, Gopuco argues that there is present, in cases of expropriation, an "implied contract" that the properties will be used only for the public purpose for which they were acquired. No such contract exists.

Eminent domain is generally described as "the highest and most exact idea of property remaining in the government" that may be acquired for some public purpose through a method in the nature of a forced purchase by the State.[32] Also often referred to as expropriation and, with less frequency, as condemnation, it is, like police power and taxation, an inherent power of sovereignty and need not be clothed with any constitutional gear to exist; instead, provisions in our Constitution on the subject are meant more to regulate, rather than to grant, the exercise of the power. It is a right to take or reassert dominion over property within the state for public use or to meet a public exigency and is said to be an essential part of governance even in its most primitive form and thus inseparable from sovereignty.[33] In fact, "all separate interests of individuals in property are held of the government under this tacit agreement or implied reservation. Notwithstanding the grant to individuals, the eminent domain, the highest and most exact idea of property, remains in the government, or in the aggregate body of people in their sovereign capacity; and they have the right to resume the possession of the property whenever the public interest so requires it." [34]

The ubiquitous character of eminent domain is manifest in the nature of the expropriation proceedings. Expropriation proceedings are not adversarial in the conventional sense, for the condemning authority is not required to assert any conflicting interest in the property. Thus, by filing the action, the condemnor in effect merely serves notice that it is taking title and possession of the property, and the defendant asserts title or interest in the property, not to prove a right to possession, but to prove a right to compensation for the taking.[35]

The only direct constitutional qualification is thus that "private property shall not be taken for public use without just compensation." [36] This prescription is intended to provide a safeguard against possible abuse and so to protect as well the individual against whose property the power is sought to be enforced.[37]

In this case, the judgment on the propriety of the taking and the adequacy of the compensation received have long become final. We have also already held that the terms of that judgment granted title in fee simple to the Republic of the Philippines. Therefore, pursuant to our ruling in *Fery*, as recently cited in *Reyes v. National Housing Authority*, [38] no rights to Lot No. 72, either express or implied, have been retained by the herein respondent.

We are not unaware of the ruling in *Heirs of Timoteo Moreno v. Mactan-Cebu International Airport Authority*,^[39] concerning still another set of owners of lots declared expropriated in the judgment in Civil Case No. R-1881. As with Chiongbian and the herein respondent, the owners of the lots therein did not appeal the judgment of expropriation, but subsequently filed a complaint for reconveyance. In ordering MCIAA to reconvey the said lots in their favor, we held that the predicament of petitioners therein involved a constructive trust "akin to the implied trust referred to in Art. 1454^[40] of the Civil Code."^[41] However, we qualified our Decision in that case, to the effect that,

We adhere to the principles enunciated in *Fery* and in *Mactan-Cebu International Airport Authority*, and do not overrule them. Nonetheless the weight of their import, particularly our ruling as regards the properties of respondent Chiongbian in *Mactan-Cebu International Airport Authority*, must be commensurate to the facts that were established therein as distinguished from those extant in the case at bar. Chiongbian put forth inadmissible and inconclusive evidence, while in the instant case we have preponderant proof as found by the trial court of the existence of the right of repurchase in favor of petitioners.

Neither has Gopuco, in the present case, adduced any evidence at all concerning a right of repurchase in his favor. *Heirs of Moreno* is thus not in point.

The trial court was thus correct in denying Gopuco's claim for the reconveyance of Lot No. 72 in his favor. However, for failure of the petitioners to present any proof that this case was clearly unfounded or filed for purposes of harassment, or that the herein respondent acted in gross and evident bad faith, the reimposition of litigation expenses and costs has no basis. It is not sound public policy to set a premium upon the right to litigate where such right is exercised in good faith, as in the present case.^[42]

WHEREFORE, the petition is GRANTED. The Decision of the Court of Appeals in CA-G.R. SP No. 49898 dated 28 February 2001, and its Resolution of 22 May 2003 are hereby REVERSED and SET ASIDE. The Decision of RTC-Branch X of Cebu dated 20 May 1994 in Civil Case No. CEB-11914 is REINSTATED with the modification that the award of exemplary damages, litigation expenses and costs are DELETED.

SO ORDERED.

Puno (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

[1] Docketed as CA-G.R. SP No. 49898; penned by Associate Justice Ruben T. Reyes, with Associate Justices Presbiterio J. Velasco, Jr. and Juan M. Enriquez, Jr. concurring.

[2] CA Rollo, pp. 155-156.

[3] Decision in Civil Case No. R-1881, Records, p. 169.

[4] Records, pp. 155-158.

[5] Records, p. 21.

[6] *Id.*, p. 56.

[7] *Id.*, p. 169.

[8] *Id.*, p. 20.

[9] *Id.*, p. 14.

[10] *Id.*, p. 54.

- [11] Id., p. 12.
- [12] On 01 December 1992, the MCIAA moved to be substituted as defendant in lieu of the ATO.
- [13] Records, p. 14.
- [14] Order of Pre-Trial Conference, Records, p. 117.
- [15] Penned by Judge Leonardo B. Canares, Records, pp. 169-171.
- [16] Supra, note 2.
- [17] Decision in Civil Case No. R-1881, Records, p. 66.
- [18] Records, p. 171.
- [19] G.R. No. 17540, 23 July 1921, 42 Phil. 28.
- [20] Records, p. 66.
- [21] Rollo, pp. 36-37.
- [22] Supra, note 19, p. 29.
- [23] Id., pp. 29-30.
- [24] G.R. No. 139495, 27 November 2000, 346 SCRA 126.
- [25] Id., p. 135.
- [26] Philippine Bank of Communications v. Echiverri, G.R. No. L-41795, 29 August 1980, 99 SCRA 508, citing Juan-Marcelo v. Go Kim Pah, No. L-27268, 29 January 1968, 22 SCRA 309.
- [27] Mactan-Cebu International Airport Authority v. Court of Appeals, Supra, note 24, citing Domingo v. Court of Appeals, G.R. No. 102360, 20 March 1996, 255 SCRA 189.
- [28] Ibid., citing Ynson v. Court of Appeals, G.R. Nos. 11708-19, 17 June 1996, 257 SCRA 411.
- [29] Esguerra v. Court of Appeals, G.R. No. 119310, 03 February 1997, 267 SCRA 380.
- [30] Supra, note 27; Banzagales v. Sps. Galman, G.R. No. 46717, 21 May 1993, 222 SCRA 350.
- [31] Ibid.
- [32] Manosca v. Court of Appeals, G.R. No. 106440, 29 January 1996 252 SCRA 412, citing Black's Law Dictionary, 6th ed., p. 523.
- [33] Ibid., citing Visayan Refining Company v. Camus, 40 Phil. 550.
- [34] JOAQUIN BERNAS, THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES: A COMMENTARY 349 (1996 ed.), citing Beekman v. Saratoga and Schenectady Railroad Company, 3 Paige Ch. 45, 22 Am. Dec. 679.
- [35] Republic of the Philippines v. Court of Appeals, G.R. No. 146587, 02 July 2002, 383 SCRA 611, citing US v. Certain Lands in Highlands (DYN) 48 F. Supp. 306; San Bernardino Valley Municipal Water District vs. Gage Canal Co. (4th Dist) 226 Cal App 2d 206, 37 Cal Rptr 856.
- [36] Sec. 9, Art. III, 1987 Constitution.

[37] Supra, note 32.

[38] G.R. No. 147511, 20 January 2003, 395 SCRA 494.

[39] G.R. No. 156273, 15 October 2003, 413 SCRA 502.

[40] "If an absolute conveyance of property is made in order to secure the performance of an obligation of the grantor toward the grantee, a trust by virtue of law is established. If the fulfillment of the obligation is offered by the grantor when it becomes due, he may demand the reconveyance of the property to him."

[41] Supra, note 39, p. 509.

[42] Ibid., citing *Mirasol v. De la Cruz*, No. L-32552, 31 July 1978.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.