

(STANFILCO) PHILIPPINES, INC., PETITIONER, VS. DOLE REYNALDO B. RODRIGUEZ AND LIBORIO AFRICA, RESPONDENTS.*G.R. No. 174646. August 22, 2012*

Ponente: PERALTA, J.

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Assailed in this petition for review on certiorari under Rule 45 of the Rules of Court are the Court of Appeals (CA) Decision[1] dated June 1, 2006 and Resolution[2] dated September 6, 2006 in CA-G.R. CV No. 58632. The CA decision modified the Regional Trial Court (RTC)[3] Decision[4] dated September 13, 1996 in Civil Case No. 92-961, while the CA resolution partially granted the motion for reconsideration filed by petitioners Standard (Philippines) Fruit Corporation or Stanfiico, a division of Dole Philippines, Inc. (Dole), Orlando Bulaun (Bulaun), Mario Murillo (Murillo), and Wilhelm Epelepsi (Epelepsi).

The case stemmed from the following factual and procedural antecedents:

Respondent Liborio Africa (Africa) is the registered owner of a banana plantation containing an area of 17.0829 hectares situated in General Santos City, covered by Original Certificate of Title (OCT)[5] No. (V-2642) (P-237) P-5469. On November 1, 1966, Africa entered into a Farm Management Contract[6] (FMC) with his Farm Manager Alfonso Yuchengco (Yuchengco) for the development, cultivation, improvement, administration, and general management of the above-described property as an agricultural development project, more particularly for the purpose of planting and growing bananas and/or other crops and of marketing the products and fruits thereof.[7] The contract was established for a period often (10) years from the date of execution thereof.[8] The same was later extended for a total period of twenty-five (25) years, or up to November 1, 1991.[9]

On October 2, 1967, the parties amended the FMC by giving Yuchengco the right to assign, convey, or transfer its rights under the contract to any person or entity, provided due notice is given to Africa.[10] On December 4, 1967, Yuchengco-assigned his rights as farm manager to Checkered Farms, Inc. (Checkered Farms).[11]

On January 8, 1968, Checkered Farms entered into an Exclusive Purchasing Agreement[12] with petitioner which bound itself to purchase all the acceptable bananas that would be produced by the former on the lot subject of the FMC.[13] Checkered Farms, for its part, undertook to allow petitioner to introduce installations and improvements on the land and to dismantle and remove all non-permanent installations and improvements it has introduced upon the expiration of the period of the contract, provided that petitioner has the option to leave them on the land without cost to Checkered Farms.[14]

It appears that over the years, petitioner introduced on the subject parcel of land several improvements consisting of, among others, plantation roads and canals, footbridges, irrigation pumps, pipelines, hoses, and overhead cable proppings.[15] On May 30, 1991, Checkered Farms requested[16] for a ten (10)-year extension[17] of the contract due to expire on November 1, 1991, but the request was not acted upon by Africa.[18]

On October 15, 1991, Africa executed a Deed of Payment by Cession and Quitclaim[19] wherein Africa ceded

and assigned the 17-hectare subject land to Reynaldo Rodriguez (Rodriguez) as payment and in full satisfaction of the former's obligation to the latter amounting to P3 million. In a letter[20] dated December 4, 1991, Rodriguez introduced himself to Checkered Farms as Africa's successor-in-interest and informed it that he was taking over complete possession and absolute control of the subject land effective immediately without prejudice to whatever acceptable new business arrangements that may be agreed upon. On even date, Rodriguez manifested his interest in petitioner's banana grower's program. Since he was interested in petitioner's corporate grower's contract, Rodriguez allowed petitioner to assume temporarily the continued operation and management of the banana plantation, including the harvesting and marketing of all produce pending the approval of the contract.[21]

On December 5, 1991, Checkered Farms asked Rodriguez that it be allowed to operate the banana plantation until February 1992 to fully wind up the operational activities in the area.[22] In a letter[23] dated December 11, 1991, Rodriguez denied the request as he already authorized petitioner to manage the plantation under an interim arrangement pending final resolution of their negotiation. In the same letter, Rodriguez demanded for the accounting of fruits harvested from the expiration of their contract.

On December 12, 1991, Checkered Farms claimed that the plantation produced 382 boxes of exportable fruits equivalent to P8,564.44 and incurred expenses of P91,973.48.[24] On December 20, 1991,[25] petitioner rejected Rodriguez's proposal for the company's contract growing arrangement on the same terms as Checkered Farms. Instead, petitioner offered to grant the same terms and conditions as those given to independent small growers in General Santos City. Rodriguez was also requested to inform petitioner of his decision as there was a need to finalize the work plan to dismantle the irrigation system and overhead cable propping system should no agreement be reached.[26]

On January 2, 1992, Rodriguez expressed his doubt on Checkered Farms' accounting of the fruits harvested from the subject land as well as the expenses incurred in its operations. He, thus, billed Checkered Farms the amount of P1,100,600.00 for the fruits harvested, and if no payment is made, to return all the harvest.[27]

On January 11, 1992, Rodriguez requested for reconsideration of the denial of his application for the company's contract growing arrangement and asked petitioner to desist from dismantling the improvements thereon.[28] As no agreement was reached between petitioner and Rodriguez, the latter demanded from the former an accounting of what was harvested during the interim period and a statement of the charges due him.[29] In its reply, petitioner stated that it was able to produce only 753 boxes of bananas valued at P17,736.48.[30] Petitioner eventually dismantled and removed the improvements in the plantation.[31]

On February 10, 1992, Rodriguez sent a letter to petitioner demanding the payment of the bananas harvested during the interim administration of petitioner and protesting the "unwarranted and wanton destruction of the farm." [32] Petitioner, however, refused to heed the demand. Instead, it questioned Rodriguez's ownership of the subject land, denied the liquidated price support of P12 per kilo or restitution of the harvest in equivalent volume and quality, and denied the accusation of illegal destruction in the plantation.[33]

On April 6, 1992, respondents filed a Complaint for Recovery of Sum of Money and Damages[34] against petitioner and its officials Bulaun, Murillo and Epelesia. Respondents claimed that despite repeated demands, petitioner and its officials refused and failed, without valid, just, reasonable or lawful ground, to pay the amount of P107,484.00 with interest at the legal rate until full payment, or to give an accounting of the entire harvest actually made by them during the period that it was given such interim authority to harvest.[35] Respondents also alleged that petitioner's staff, acting under the direct supervision of Epelesia who has been working directly with the instructions of Bulaun, all performing under the administrative and operational responsibility of Murillo, stealthily, treacherously and ruthlessly raided the subject plantation destroying the facilities therein which makes

them liable for damages.[36] These acts, which are contrary to morals, good customs or public policy, allegedly made petitioner liable for damages.[37] Respondents also demanded indemnity for damages suffered from petitioner's act of depriving the former from using the water facilities installed in the plantation that resulted in the spoilage of respondents' plants.[38] Respondent likewise accused petitioner of knowingly and fraudulently operating and harvesting within respondents' premises, making it liable for damages.[39] Lastly, respondents prayed for the payment of moral, exemplary and nominal damages plus litigation expenses.[40]

In their Answer with Compulsory Counterclaims,[41] petitioner admitted its contractual relationship with Africa but alleged that Rodriguez duped and fraudulently misled petitioner into believing that he was the owner of the subject plantation where in fact it was owned by Africa.[42] Petitioner alleged that he was the owner of the irrigation system on the subject plantation. Thus, it has the right to remove them after the expiration of its contract with Africa.[43] It added that the removal of the irrigation system from the subject plantation was a valid exercise of its rights as owner of the irrigation system and an exercise of the right to dismantle and remove the same under the Exclusive Purchasing Agreement with Checkered Farms. It denied respondents' accusation that the dismantling took place at nighttime and with the aid of armed men. Petitioner also denied causing the destruction of standing crops or the canals.[44] In its counterclaim, petitioner demanded from respondents the payment of P58,562.11 representing the expenses it incurred during the interim management of the plantation after deducting the farm revenue. Petitioner also prayed for the payment of moral and exemplary damages plus attorney's fees.[45]

On September 13, 1996, the RTC rendered a Decision[46] in favor of respondents and against petitioner, the dispositive portion of which reads:

WHEREFORE, in view of all the foregoing, judgment is hereby rendered in favor of the plaintiffs and against defendant corporation ordering the latter to pay to the former the sum of P17,786.48, representing the value of the banana fruits harvested during the interim arrangement; the amount of P500,000.00 for the destruction of the banana plants and for the rehabilitation of the plantation; the sum of P50,000.00 as litigation expenses and P50,000.00 as attorney's fees, and the costs of suit.

The complaint, as against defendants Orlando Bulaun, Wilhelm Epelepsi and Mario Murillo, is hereby Dismissed.

Defendant's counterclaim is DENIED. SO ORDERED.[47]

With the admission of petitioner that it harvested 753 boxes of banana fruits valued at P17,786.00 from the subject plantation but were not turned over to respondents, the trial court found the latter entitled to said amount as owners of the property.[48] The trial court further found respondents entitled to P500,000.00 actual damages for the destroyed banana plants caused by petitioner when it exercised its right to remove the improvements it introduced on the plantation.[49] The RTC, however, found that respondents do not have the right to use the improvements owned by petitioner. Thus, when petitioner removed said improvements, respondents cannot insist that they be awarded damages for the deprivation of the use thereof. Neither can they insist that petitioner leave said improvements on the subject plantation.[50] The trial court also did not award respondents' claim for the value of the crops harvested on the two-hectare property of respondents adjoining the Aparente property, because such portion was believed to belong to the Aparente family.[51] Respondents' prayer for moral, exemplary and nominal damages were denied because petitioner did not act in bad faith but only exercised its right to dismantle the improvements in accordance with the terms of the Exclusive Purchasing Agreement.[52] In view of the destruction of the plantation and respondents' efforts to protect their interest, the RTC awarded P50,000.00 litigation expenses and the same amount as attorney's fees.[53] The trial court further absolved Bulaun, Murillo and Epelepsi from liability and made petitioner solely liable. As to petitioner's counterclaim, the court found no

reason to award the same as respondents' acts were not meant to harass them but were undertaken to protect their interest.[54]

Petitioner and respondents interposed separate appeals. On June 1, 2006, the CA modified the RTC decision. The dispositive portion of the decision is quoted below for easy reference:

WHEREFORE, in the light of the foregoing premises, the decision subject of this appeal is hereby MODIFIED. The defend ant-appellant STANFILCO is hereby ordered to pay plaintiff-appellant Rodriguez the following amounts:

- (a) P200,000.00 as temperate damages for the banana plants that were felled and for the damage done on the ground;
- (b) P50,000 by way of moral damages;
- (c) P50,000 by way of exemplary damages;
- (d) P50,000 by way of litigation expenses;
- (e) P50,000 by way of attorney's fees.

SO ORDERED.[55]

The CA first settled the legal standing of Africa and Rodriguez to institute the action before the lower court. As registered owner of the property, the appellate court considered Africa an indispensable party. As assignee of Africa, the CA likewise upheld Rodriguez's legal standing. Contrary to petitioner's protestation, the CA considered petitioner estopped from impugning the equitable ownership of Rodriguez of the subject plantation considering that it was Rodriguez who gave petitioner the authority to supervise and operate the plantation awaiting the results of Rodriguez's application for corporate grower's contract with petitioner.[56]

The CA affirmed the RTC's conclusion that during the interim period when it was given the authority to operate the plantation, petitioner harvested 753 boxes of bananas valued at P17,786.48. However, during the same period, petitioner incurred expenses of P76,348.57. Thus, respondents still owe petitioner P58,562.11.[57] As to the nature of the facilities and improvements installed by petitioner, the appellate court refused to consider them immovable as they were installed not by the owner but by a tenant. Pursuant, therefore, to the Exclusive Purchasing Agreement, the appellate court upheld petitioner's right to dismantle the facilities and improvements.[58] Moreover, the CA echoed the RTC conclusion that respondents are not entitled to the crops harvested from the two-hectare property believed to belong to the Aparente family as they were indeed cultivated for the benefit of said family and not for respondents.[59] The court further sustained the RTC's conclusion to exempt petitioners' officers from liability as they merely followed the orders of their superiors.[60] While sustaining respondents' claim for the damages sustained when petitioner exercised its right to dismantle the improvements and facilities introduced on the subject plantation, the appellate court deemed it proper to reduce the amount awarded by the RTC from P500,000.00 to P200,000.00 as temperate damages.[61] In addition to litigation expenses and attorney's fees, the CA awarded P50,000.00 moral damages and P50,000.00 exemplary damages.[62] The appellate court further modified the decision in a Resolution dated September 6, 2006 by including the statement that the sum of P58,562.11 representing the expenses incurred during the interim period be deducted from the award given to respondents.[63]

Aggrieved, petitioner comes before the Court in this petition for review on certiorari with the following assigned errors:

- THE COURT OF APPEALS ERRED IN NOT APPLYING THE LEGAL PRINCIPLE OF DAMNUM ABSQUE INJURIA TO RENDER JUDGMENT REVERSING AND SETTING ASIDE THE DECISION OF THE LOWER COURT AND DISMISSING THE COMPLAINT BELOW, CONSIDERING THAT IT

FOUND THE REMOVAL AND DISMANTLING OF THE DOLE INSTALLATIONS AND IMPROVEMENTS TO BE IN MERE DISCHARGE OF A CONTRACTUAL RIGHT.

- THE COURT OF APPEALS ERRED IN AWARDING TEMPERATE, MORAL AND EXEMPLARY DAMAGES AND, AS WELL, ATTORNEY'S FEES TO THE RESPONDENTS, THERE BEING NO FACTUAL AND LEGAL BASES THEREFOR, AS THE CONCLUSION THAT THE AFRICA FARM WAS DESTROYED ON ACCOUNT OF PETITIONER STANFILCO DOLE'S ALLEGED LACK OF PRECAUTION IN REMOVING AND DISMANTLING THE INSTALLATIONS AND/OR IMPROVEMENTS INTRODUCED ON THE SAID FARM:

A. IS IN FACT CONTRARY TO FACTUAL FINDINGS BY THE COURT OF APPEALS;

B. HAS NOT BEEN SUFFICIENTLY ESTABLISHED BY SUBSTANTIAL, DIRECT AND POSITIVE EVIDENCE; AND

C. IS ALSO CONTRARY TO THE ESTABLISHED EVIDENCE.

III. THE COURT OF APPEALS ERRED IN NOT GRANTING PETITIONER STANFILCO DOLE'S COUNTERCLAIMS, IT BEING ESTABLISHED THAT RESPONDENTS ACTED TOWARDS IT IN A MANNER WITH MALICE AFORETHOUGHT AND ATTENDED BY BAD FAITH.[64]

Petitioner submits that the CA erred in failing to recognize that the case at bar is a clear case of *damnum absque injuria*, warranting the reversal of the RTC's decision and the dismissal of the complaint below.[65] Petitioner adds that there are no factual and legal bases for the grant of temperate, moral, and exemplary damages.[66] It explains that the resulting injury to respondents arising from the removal and dismantling of improvements that petitioner undertook pursuant to the provisions of the Exclusive Purchasing Agreement with Checkered Farms is *damnum absque injuria*. [67] It points out that it removed only the removable irrigation facilities refraining from exercising said legal right with respect to the drainage canals, the roads and the overhead proppings which covered the entire length of the farm.[68] Petitioner also claims that the CA was uncertain as to the proximate cause of the alleged destruction resulting in damages to respondents. Thus, the appellate court allegedly erred in charging petitioner with acting wrongfully, wantonly, and in bad faith against respondents warranting the award of temperate, moral, and exemplary damages.[69] Lastly, petitioner asserts that the lower court erred in not awarding its counterclaims it being established that respondents filed the complaint below with malice and attended by bad faith.[70]

The petition is without merit.

Stated in simple terms, the principal questions for resolution are whether petitioner is liable to respondents for damages and if so, the amount of such liability.

At the outset, we would like to specify the claims made by respondents against petitioner brought about by the contractual relations previously entered into by the parties. First, the payment of the value of the bananas harvested by petitioner when it was given the authority to temporarily manage the plantation; second, payment of the value of the bananas harvested in the two-hectare property adjoining the Aparente property; third, indemnity for damages caused to the plantation in the course of removing the irrigation facilities owned by petitioner; fourth, indemnity for damages brought about by the deprivation of petitioner's right to use the irrigation facilities in question; and fifth, the payment of moral, exemplary and other forms of damages. The CA correctly denied respondents' second and fourth claims and aptly granted (with qualification) respondents' first, third and fifth claims.

As to the value of the bananas harvested during petitioner's interim management of the plantation, we find no

reason to disturb the RTC and CA's findings that indeed, respondents are entitled to said claim. However, as petitioner incurred expenses, the corresponding value should in turn be deducted from the total harvests made. Thus, while respondents are entitled to the value of 753 boxes of bananas amounting to P17,786.48, they cannot be given said amount as petitioner's total expenses of P91,973.48 should be deducted. Consequently, respondents, not petitioners, are indebted to the latter in the total amount of P58,562.11 as reflected in the CA's assailed resolution modifying its earlier assailed decision.

As to the bananas harvested on the portion which was mistakenly believed to belong to the Aparente family but eventually adjudged in favor of respondents, petitioner cannot be made to answer for the value thereof considering that the proceeds inured not to its benefit but to the Aparente family.

Now on the damages resulting from the dismantling and removal of the facilities and improvements introduced by petitioner on the subject plantation, we find a cogent reason to sustain the CA's conclusions on respondents' entitlement to such claims but find sufficient ground to modify the amounts awarded. It is settled that petitioner was given the right to dismantle the improvements introduced on the subject plantation as clearly provided for in its contract with Checkered Farms, thus:

The PLANTER [Checkered Farms] shall, among other things, undertake and perform the following:

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f. Allow the COMPANY [petitioner] to dismantle and remove all non-permanent installations and improvements it has introduced on the land upon the expiration of the period of this Agreement provided, that [petitioner] at its option may leave them on the land, without cost to [Checkered Farms].[71]

On the basis of the above contractual provision, petitioner insists that it cannot be held liable for damages' allegedly suffered by respondents based on the principle of *damnum absque injuria*.

We do not agree.

Under the principle of *damnum absque injuria*, the legitimate exercise of a person's rights, even if it causes loss to another, does not automatically result in an actionable injury. The law does not prescribe a remedy for the loss. This principle, however, does not apply when there is an abuse of a person's right as in this case.[72] While we recognize petitioner's right to remove the improvements on the subject plantation, it, however, exercised such right arbitrarily, unjustly and excessively resulting in damage to respondents' plantation. The exercise of a right, though legal by itself, must nonetheless be in accordance with the proper norm. When the right is exercised arbitrarily, unjustly or excessively and results in damage to another, a legal wrong is committed for which the wrongdoer must be held responsible.[73]

As aptly explained by the Court in *GF Equity, Inc. v. Valenzona*[74] -

The exercise of a right ends when the right disappears, and it disappears when it is abused, especially to the prejudice of others. The mask of a right without the spirit of justice which gives it life is repugnant to the modern concept of social law. It cannot be said that a person exercises a right when he unnecessarily prejudices another or offends morals or good customs. Over and above the specific precepts of positive law are the supreme norms of justice which the law develops and which are expressed in three principles: *honeste vivere*, *alterum non laedere* and *jus suum quique tribuere*; and he who violates them violates the law. For this reason, it is not permissible to abuse our rights to prejudice others.[75]

In the sphere of our law on human relations, the victim of a wrongful act or omission, whether done willfully or negligently, is not left without any remedy or recourse to obtain relief for the damage or injury he sustained. Incorporated into our civil law are not only principles of equity but also universal moral precepts which are

designed to indicate certain norms that spring from the fountain of good conscience and which are meant to serve as guides for human conduct.[76]

Abuse of right under Article 19 of the New Civil Code provides:

Art. 19. Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

The above provision sets the standards which may be observed not only in the exercise of one's rights but also in the performance of one's duties. When a right is exercised in a manner which does not conform with the norms enshrined in Article 19 and results in damage to another, a legal wrong is thereby committed for which the wrongdoer must be held responsible.[77] One is not allowed to exercise his right in a manner which would cause unnecessary prejudice to another or if he would thereby offend morals or good customs. Thus, a person should be protected only when he acts in the legitimate exercise of his right, that is when he acts with prudence and good faith; but not when he acts with negligence or abuse.[78] The exercise of a right must be in accordance with the purpose for which it was established, and must not be excessive or unduly harsh; there must be no intention to injure another.[79]

In this case, evidence presented by respondents shows that as a result of the diggings made by petitioner in order to remove the pipes, banana plants were uprooted. Some of these plants in fact had fruits yet to be harvested causing loss to respondents. After the removal of said pipes, petitioner failed to restore the plantation to its original condition by its failure to cover the diggings with soil. As found by the CA, the Damage Report submitted by Angel Flores stated that there was ground destruction because diggings were done indiscriminately without concern for the standing banana plants. He even added that the destruction of the ground was extensive.[80] The witnesses for petitioner likewise admitted that they had the responsibility to cover the diggings made but failed to do so after the pipelines had been retrieved. Witnesses and pictures also showed that indeed, banana plants were uprooted and scattered around the plantation.[81]

It is noteworthy that petitioner was given the right to remove only the improvements and facilities that were "non-permanent" instead of giving it the unqualified right to remove everything that it introduced to the plantation. Though not specifically stated in the contract, the reason for said qualification on petitioner's right of removal is the imperative need to protect the plantation from unnecessary destruction that may be caused by the exercise of the right. If permanent structures were allowed to be removed, damage to the plantation would not be avoided. This qualified right should have given petitioner the necessary warning to exercise its right with caution with due regard to the other structures in the plantation and most especially the banana plants and fruits therein. If petitioner was able to consider cutting the pipes underneath the roads within the plantation so as not to destroy said roads, why did it not take into consideration the banana plants and fruits that would be destroyed by reason thereof? Petitioner would not have been unduly prejudiced had it waited for the bananas to be harvested before removing the pipes. Clearly, petitioner abused its right.

While Article 19 lays down a rule of conduct for the government of human relations and for the maintenance of social order, it does not provide a remedy for its violation.[82] Complementing the principle of abuse of rights are the provisions of Articles 20 and 21 of the Civil Code which read:

Article 20. Every person who, contrary to law, willfully or negligently causes damage to another, shall indemnify the latter for the same.

Article 21. Any person who willfully causes loss or injury to another in a manner that is contrary to morals, good customs, or public policy shall compensate the latter for the damage.

The foregoing rules provide the legal bedrock for the award of damages to a party who suffers damage whenever one commits an act in violation of some legal provision, or an act which though not constituting a transgression of positive law, nevertheless violates certain rudimentary rights of the party aggrieved.[83] Article 20 pertains to damages arising from a violation of law which does not obtain here[84] as petitioner was perfectly within its right to remove the improvements introduced in the subject plantation. Article 21, on the other hand, refers to acts contra bonus mores.[85] The act is within the article only when it is done willfully. The act is willful if it is done with knowledge of its injurious effect; it is not required that the act be done purposely to produce the injury.[86] Undoubtedly, petitioner removed the pipes with knowledge of its injurious effect which is the destruction of the banana plants and fruits; and failed to cover the diggings which caused ground destruction. Petitioner should, therefore, be liable for damages.

For the damages sustained by reason of the uprooted and felled banana plants, the RTC awarded respondents P500,000.00. The CA, however, reduced the amount to P200,000.00. Under Article 2224 of the Civil Code, temperate or moderate damages are more than nominal but less than compensatory[87] which are given in the absence of competent proof on the actual damages suffered.[88] In view of the CA observations which we will quote below, we deem it proper to further reduce the above amount to P100,000.00 as temperate damages:

The above observation notwithstanding, We are not about to sustain to its full extent the award given by the court a quo. Frankly, We are of the impression that the grant of P500,000 calls for the tempering hand of this Court, especially since the pictures show that while there were felled banana plants, a greater number were still left standing and unharmed. Obviously, the number of felled plants as shown in the picture was very minimal, missing the claimed number of 8,500 by quite a long shot.

Also in the testimony of plaintiff-appellant Rodriguez, he admitted that he cannot say for sure whether the felled banana plants as shown in the pictures were those that were harvested.

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Thus, while it is possible that the banana plants shown in the pictures were felled when the irrigation pipes were removed, We cannot also discount the possibility that some of the fallen plants shown in the pictures fell even earlier during the occasion of the recent harvest that was conducted on the farm on the third week of January 1992, or a week before the dismantling operations began.

Suffice it to say that no solid evidence exists that could sustain the 8,500 banana plants alleged to have been damaged. Perhaps, this huge number could be attributed to the fact that around the time that the said damage report was prepared (February 10, 1992 or almost a week after removal of the irrigation facilities began), many of the plants were already wilting due to the very dry weather in the area which was further aggravated by the absence of irrigation, x x x

But then again, it is not for this Court to define exactly how many plants were felled in the process of removing the pipes. For this reason, We are poised to grant temperate damages in the amount of Two Hundred Thousand (P200,000.00) pesos.[89]

Under Article 2219 of the New Civil Code, moral damages may be recovered, among others, in acts and actions referred to in Article 21.[90] Moral damages may be awarded in cases referred to in the chapter on human relations of the Civil Code without need of proof that the wrongful act complained of had caused any physical injury upon the complainant.[91] Anent the award of exemplary damages, Article 2229 allows it by way of example or correction for the public good.[92] Exemplary damages are an antidote so that the poison of wickedness may not run through the body politic.[93] On the matter of attorney's fees and litigation expenses, Article 2208 of the same Code provides, among others, that attorney's fees and expenses of litigation should be recovered, as in this case.[94] We, therefore, sustain the awards made by the CA.

One final note. The responsibility arising from abuse of rights has a mixed character because it implies a reconciliation between an act, which is the result of an individual juridical will, and the social function of right. The exercise of a right, which is recognized by some specific provision of law, may nevertheless be contrary to law in the general and more abstract sense. The theory is simply a step in the process of tempering law with equity.

WHEREFORE, premises considered, the petition is DENIED. The Court of Appeals Decision dated June 1, 2006 and Resolution dated September 6, 2006 in CA-G.R. CV No. 58632, are AFFIRMED with MODIFICATION by reducing the temperate damages from P200,000.00 to P100,000.00.

SO ORDERED.

Velasco, Jr., (Chairperson), Abad, Mendoza, and Perlas-Bernabe, JJ., concur.

[1] Penned by Associate Justice Bienvenido. L. Reyes, with Associate Justices Jose C. Reyes, Jr. and Marifior P. Punzaian-Castillo, concurring; rollo, pp. 108-144.

[2] Rollo, pp. 146-149.

[3] Branch 134, City of Makati.

[4] Penned by Acting Presiding Judge Paul T. Arcangel; records, pp. 1046-1056.

[5] Rollo, p. 109.

[6] Records, pp. 508-512.

[7] Id. at 508.

[8] Id. at 510.

[9] Id. at 518-519. ,

[10] Id. at 522.

[11] Rollo, p. 109.

[12] Records, pp. 527-542.

[13] Id. at 528,

[14] Id. at 533-534.

[15] Id. at 1049.

[16] Embodied in a letter dated May 30, 1991, id. at 580-581

[17] Records, p. 583.

[18] Id. at 1049,

[19] Id. at 363-364.

[20] Id. at 547.

[21] Id. at 366-367.

- [22] Id. at 936.
- [23] Id. at 937.
- [24] W.at 938-939.
- [25] Mat 943-944.
- [26] Rollo, pp. 111-112.
- [27] Records, pp. 947-949.
- [28] Id. at 945-946.
- [29] Rollo, p. 112.
- [30] Id. at 112.
- [31] Id. at 113.
- [32] Id. at 114.
- [33] Id.
- [34] Records, pp. 1-20.
- [35] Id. at 6-7.
- [36] Id. at 7.
- [37] Id. at 12.
- [38] Id. at 13.
- [39] Id. at 14-16.
- [40] Id. at 16-17.
- [41] Id. at 52-71.
- [42] Id. at 56.
- [43] Id. at 59.
- [44] Id. at 68.
- [45] Id. at 68-70.
- [46] Penned by Acting Presiding Judge Paul T. Arcangel; id. at 1046-1056.
- [47] Records, p. 1056.
- [48] Id. at 1054.
- [49] Id.
- [50] Id. at 1055.
- [51] Id.
- [52] Id.

[53] Id. at 1055-1056.

[54] Id. at 1056.

[55] Rollo, p. 143.

[56] Id. at 120-121.

[57] Id. at 125.

[58] Id. at 132-133.

[59] Id. at 136.

[60] Id. at 133.

[61] Id. at 141-142.

[62] Id. at 142-143.

[63] Id. at 146-149.

[64] Rollo, p. 11.

[65] Id. at 72.

[66] Id. at 74.

[67] Id.

[68] Id. at 80.

[69] Id. at 89.

[70] Id. at 94.

[71] Records, pp. 94-95.

[72] *Amonoy v. Spouses Gutierrez*, 404 Phil. 586,589 (2001).

[73] *Cebu Country Club, Inc. v. Elizagaque*, G.R. No. 160273, January 18, 2008, 542 SCRA 65, 74-75.

[74] G.R. No. 156841, June 30, 2005, 462 SCRA 466.

[72] *Amonoy v. Spouses Gutierrez*, 404 Phil. 586,589 (2001).

[73] *Cebu Country Club, Inc. v. Elizagaque*, G.R. No. 160273, January 18, 2008, 542 SCRA 65, 74-75.

[74] G.R. No. 156841, June 30, 2005, 462 SCRA 466.

[75] *GF Equity, Inc. v. Valenzona*, *supra*, at 478-479, citing *De Guzman v. National Labor Relations Commission*, G.R. No. 90856, July 23, 1992, 211 SCRA 723.

[76] *Carpio v. Valmonte*, 481 Phil. 352, 361 (2004).

[77] *Heirs of Purisima Nala v. Cabansag*, G.R. No. 161188, June 13, 2008, 554 SCRA 437, 442; *Cebu Country Club, Inc. v. Elizagaque*, *supra* note 73, at 73. *

[78] *Carpio v. Valmonte*, *supra* note 76, at 362. S**~Pr

[79] Heirs of Purisima Nala v. Cabansag, supra note 77, at 442-443.

[80] Records, pp. 416-417.

[81] Rollo, pp. 38-42.

[82] Cebu Country Club, Inc. v. EHzaague, supra note 73, at 73.

[83] Carpio v. Valmonte, supra note 76, at 362-363.

[84] Nikko Hotel Manila Garden v. Reyes, G.R. No. 154259, February 28, 2005, 452 SCRA 532, 547.

[85] Id.

[86] Tolentino, Commentaries and Jurisprudence on the Civil Code of the Philippines, Vol. I, p. 68.

[87] Wuerth Philippines, Inc. v. Rodante Ynson, G.R. No. 175932, February 15, 2012.

[88] Orix Metro Leasing and Finance Corporation (Formerly Consolidated Orix Leasing and Finance Corporation) v. Minors: Dennis, Mylene, Melanie and Marikris, all surnamed Mangalinao Y Dizon, Manuel M. Ong, Loreto Lucilo, Sonny Li, and Antonio delos Santos, G.R. No. 174089, January 25, 2012.

[89] Rollo, pp. 141-142.

[90] Cebu Country Club, Inc. v. Elizagaue, supra note 73, at 75.

[91] De Guzman v. National Labor Relations Commission, supra note 75, at 732.

[92] Cebu Country Club, Inc. v. Elizagaue, supra note 73, at 75.

[93] De Guzman v. National Labor Relations Commission, supra note 75, at 732.

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